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# DISTRIBUTION AND WAREHOUSING



**The Business Paper of the Warehouse Industry**

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## BUSINESS EVOLUTION

in Sioux Falls, S. D.

in Motor Freight  
Line Operation

1925—One Truck

1928—Central Depot

1930—Commercial Warehouse

By Kent B. Stiles

**T**HE majority control of stock in a motor freight line company established five years ago in Sioux Falls, S. D., has been acquired by railroad interests, and on this past March 31 the business of merchandise warehousing was inaugurated.

The motor freight line is the Wilson Transportation Co. The railroads are the Chicago & Northwestern and the Chicago, St. Paul, Minneapolis & Omaha. The warehouse business is being conducted by the Wilson Storage & Transfer Co., recently organized by William Wilson, the man who, having established the motor freight system, is now at the head of both these distribution organizations.

This development is a significant illustration of what *Distribution and Warehousing* has been emphasizing in a series of editorial articles which, beginning publication last September, have pointed out to the established warehouse industry of the country that the trend in motor freight line transportation is toward expansion into the merchandise warehouse industry's field of operation.

It has come to pass in Sioux Falls. In competition with four established warehouse firms listed in the 1930 Warehouse Directory, two of those companies being members of the merchandise division of the American Warehousemen's Association, the Wilson motor freight organization, backed by railroad interests, has begun a merchandise storage business in conjunction with a motor freight system already in operation.

It was a natural business development. Manufacturers consigning goods to the territory began taking advantage of the Wilson motor freight system with its fifty trucks serving 250 surrounding towns for 200 miles with twenty-four hours' service promised. To meet the resulting requirements the Wilson firm erected a truck depot. Pressure from patrons for storage space led to the organizing of the warehouse company.

The transition is now complete—from one truck in 1925 to a million-dollar warehouse in 1930.



*The merchandise warehouse and motor freight depot which the Wilson interests, backed by railroad capital, opened for business in Sioux Falls, S. D., on March 31*

THE Wilson Terminal, illustrated herewith, comprises two structures—truck depot and the warehouse. F. W. Sargent, president of the Chicago & Northwestern, accompanied by Carl R. Gray, Jr., president of the Chicago, St. Paul, Minneapolis & Omaha road, and other officers of the two rail companies, went to Sioux Falls late in March to dedicate the opening of the terminal, erection of which was begun last October.

They found the first floor occupied by the fifth annual Made in South Dakota show, while on the second floor was in progress the twenty-first annual automobile show, signifying that local business interests were alive to the Wilson development.

Recently the Wilson Storage & Transfer became the Sioux Falls member of the American Chain of Warehouses.

#### Buchanan Manager

AN old timer widely known in public warehousing has been appointed manager of the warehousing branch of the business. He is William J. Buchanan, formerly with Griswold & Walker, Inc., Chicago, later manager of the Lee Terminal & Warehouse Corporation, Tampa, and subsequently traffic manager, with headquarters in Detroit, of the Minnesota-Atlantic Transit Co., identified with the McDougall Terminal Warehouse, Duluth.

At one time Mr. Buchanan served as chairman of the traffic committee of the American Warehousemen's Association, and in that capacity he filed a brief with the Interstate Commerce Commission setting forth the association's policy with regard to railroad rate structure. He is con-

sidered a leading expert in traffic in its relation to distribution through warehouses.

Carl R. Gray, Jr., president of the Chicago, St. Paul, Minneapolis & Omaha, is chairman of the board of directors of the Wilson Transportation Co.

#### History

IN 1925 William Wilson, president today of both the warehouse firm and the transportation company, was elected to the board of directors of the Sioux Falls Chamber of Commerce as the representative of the automotive industry. From this group emanated the idea of starting a truck line to handle freight which the railroads had been handling inefficiently. The line received one of the earliest permits granted by the State's Railroad Commission, and operation was begun with a single vehicle transporting freight between Sioux Falls and Brookings.

For a time the new company was in red ink, but its sponsors improved the service and guaranteed responsibility, and in 1928 it became necessary to establish a centralized receiving point for freight, and in September of that year the Wilson Transportation Co. established a union truck depot and a daily service to forty-two towns was put in operation. A year later additional capital was obtained, the company was reorganized, fifteen smaller truck lines were purchased and merged, additional equipment was placed in service, and the number of towns tapped was increased to 175.

The volume of business thus developed overtaxed the facilities of the union truck depot, and so came plans

for the modern terminal, with warehouse space, now in operation.

#### Facilities

THE new truck depot, which is nearly all one story except for a small second floor used as the transportation company's office, stands to the south of the warehouse. It has a Reed Street frontage of 100 feet and is in the shape of an "L," the leg of the "L" extending in behind the warehouse. Trucks bringing merchandise into Sioux Falls make the depot the distributing point. A capacity of 500,000 pounds of freight, nearly 250 tons, is advertised as one of the features.

The storage building measures 124 feet on Eighth Street and 280 feet on Reed Street and is one of the largest commercial buildings in the city. It has nearly 140,000 square feet of floor space. Railway trackage is provided to the doors. The location is convenient to jobbers, merchants and distributors.

"Through the depot," to quote J. C. Yocom, general manager of the transportation company, "will flow the freight from Sioux Falls for the Wilson Transportation Co. and the other fourteen truck companies operating general merchandise lines, all of which are bonded under the State and operate under the authority of the Railroad Commission as Class 'A' operators, which operators conduct a regular service over regular routes and on regular schedules."

"The depot was designed by men with wide experience in the handling of merchandise, and every convenience for safe and fast handling has been provided. The building is of steel, concrete and brick construction and floors are of steel and concrete laid



An interior view of the Wilson warehouse at Sioux Falls

on ground foundation, thus making the floor load practically unlimited.

"The depot contains within the freight house proper 6700 square feet and on the platform 2300 square feet of floor space. A heated room has been provided for the protection of perishable freight containing 8640 cubic feet. The general office on the second floor contains almost 2000 square feet."

#### 60% of L. C. L.

The transportation company claims to be handling now more than 60 per cent of all the less-than-carload freight originating in the territory and arriving there.

According to Mr. Wilson it costs his company exactly 16.1 cents a mile to operate his trucks. This includes the cost of the driver and all overhead.

William Wilson is president also of the Wilson Barber Auto Co. The new warehouse firm's vice-presidents are Henry Carlson, vice-president of the Henry Carlson Co., and J. J. Larkin, secretary-treasurer of the Manchester Biscuit Co. The secretary is H. A. Hurd, secretary-treasurer of the Farley-Loetscher Co., and the treasurer is W. Z. Sharp, president of the Security National Bank & Trust Co.

## Inland Waterways Reports a Smaller Net Income in 1929

**DISTRIBUTION AND WAREHOUSING'S**  
Washington Bureau,  
1163 National Press Building.

THE Inland Waterways Corporation, against whose free storage practice the public warehouse industry has protested to President Hoover and the War Department and Congress, had a net loss of \$108,295 during the 1929 calendar year as compared with 1928, according to the corporation's annual report, made public on April 8.

The total net income from operations in 1929 amounted to \$364,097, of which \$362,663 was derived from operations of the lower Mississippi division and \$1,434 from operations of the Warrior River Terminal Co.

The corporation reported a total savings to the public on tonnage transported by the Mississippi-Warrior service, during the year, of \$2,600,000.

Establishment of independent carriers on the waterways undoubtedly had some effect on the tonnage carried by the Government lines. Regarding the independent carriers, Major General T. Q. Ashburn, chairman and executive of the corporation, states in the report:

"The American Barge Line Co., formed by a consolidation of the Kelly Barge Line Co. and the Inland Waterways Co., each of which companies was enormously aided by our experience and advice and facilities, has become a real factor as a common carrier, operating from Pittsburgh to New Orleans. During 1929 it carried hundreds of thousands of tons of freight on the Mississ-

sippi. It uses the terminal facilities created through the efforts of this corporation (the Inland Waterways Corporation).

"The Mississippi Valley Barge Line Co. has created a fleet of boats which it will operate as a common carrier between Cincinnati and New Orleans. The service will open in the Spring of 1930 and will use our terminal facilities on the Mississippi.

"The Tennessee Coal, Iron & Railroad Co. has completed, owns, and operates its own fleet between Birmingham, Mobile, New Orleans, Galveston, and Houston. It transports its freight to the river bank over our Warrior River Terminal facilities.

"The Standard Oil Co., Jones & Laughlin, Carnegie, and the United States Steel Corporation own and operate their own fleets on the Ohio and (or) the Mississippi River. The American Steel & Wire, Pittsburgh Steel, Weirton Steel, Wheeling Steel, McKeesport Tin Plate, and the Youngstown Sheet & Tube have lately been using the river.

"Local carriers by water of less importance have begun to reappear on our system. Each of these carries freight that formerly did not move by water, or if it did move, was carried by the facilities of the corporation."

Notwithstanding the net loss, the report asserts that the corporation had proved its value as a demonstrative agent. On this point it says that its mission in carrying out the policy of Congress to develop water transportation

has become recognized as a national issue. The problem of getting the Government out of business is discussed as follows:

"We have constantly borne in mind the fact that the primary object of the corporation is the demonstration to private capital and the public that through coordination, cooperation and supplementation of all forms of transportation, there will result a cheaper form of transportation, available to all the citizens of the United States, and better than that offered to all the people by any single form, with a resultant living revenue to the participating carriers.

"We have encouraged and assisted every form of water transportation, even that in direct opposition to our own operations, because it has been realized that although the governmental corporation would lose freight carried by its water competitors, it has, nevertheless, been fulfilling the purpose for which it was created, namely, the promotion, encouragement, and development of water transportation by the expenditure of private capital in the construction and operation of independent fleets.

"We may lose more and more freight as private competition increases, but if the time should come that the Government barges ride high and dry on the rivers, with empty holds, and their crews look at privately owned tows pushing through the stream, laden until their decks are awash, then the Government's final success in business will be written

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# Would Separate Rail Accessorial Costs

**Bill is Pending in Congress to Compel Carriers to Abandon Less-Than-Cost-of-Service Practices Which Adversely Affect Warehouse Industry**

By HORACE H. HERR

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**C**ONGRESS has been asked to decide whether or not rail carriers, under any conditions, legally may charge less-than-cost-of-service rates for warehousing and storage service. Representative John McDuffie, Democrat, of Alabama, has introduced a bill which would abolish the discriminations against private warehouses resulting from long-standing practices of rail carriers, particularly at ports. The McDuffie bill is pending in the House committee on Interstate and Foreign commerce, and public hearings on the measure were scheduled to begin on April 22.

The McDuffie proposal is to amend Section 19 of the Transportation Act—the section dealing with the determination of railroad property values—by adding the following language:

"The Interstate Commerce Commission in determining the value of the property of any railroad, or in cases where it has already determined such value, as required by this section, shall segregate in one unit at each port the value of all wharves, docks, warehouses, and other terminal

made in the wording of the measure for the sake of clarity.

Representative McDuffie says that his bill, HR 10418, is in keeping with the spirit and purpose of the Transportation Act.

"It was not the intent of Congress," Mr. McDuffie says, "that the railroads should be permitted to put private enterprises, rendering essential service, out of business by unfairly cutting rates where the rail facilities are in competition with the private facilities. Furthermore, it was not the intent that a rail carrier should be permitted to perform one class of service at a loss and recoup that loss by over charging some other class of service."

Further, the McDuffie bill, as its author explains, is supported by another well-established principle—that a rate to be a lawful rate must cover the cost of service, including a reasonable return on the actual investment used in rendering the service.

At its meeting of March 18 the Warehousemen's Association of the Port of New York, endorsed this bill on the recommendation of the legislative committee. The suggestion is made by the association that a minor change or two be

facilities owned or operated by such common carrier subject to this Act and used in connection with the movement of traffic by way of a water line in export, import, coastwise, or inland trade."

Having required the segregation of these valuations, the McDuffie measure goes farther and proposes that the rates charged for the use of these facilities shall cover the cost of the service and with regard to a reasonable return upon the value of the facilities. The bill proposes,

"The schedules of rates, fares, and charges required to be printed and kept open to public inspection as provided in paragraph (1) of section 6 of the Interstate Commerce Act, as amended, shall state separately the charges for the use of wharves, docks, warehouses, and other terminal facilities owned or operated by common carriers subject to the provisions of such Act, as amended, and used in connection with the movement of traffic by way of a water line in export, import, coastwise, or inland trade; and such rates, fares, and charges shall be so fixed as to cover the cost of operation and maintenance and yield a reasonable return upon the value of such wharves, docks, warehouses, and other terminal facilities."

their charges so as to force municipal and private facilities of this character to be operated at a loss. Too, the absence of uniform practices by the carriers results in discriminations as between ports. The effect of my bill, if enacted, will be to more nearly equalize port charges, and make it unlawful for the railroads to charge for terminal service less than the service costs, having a proper regard for the investments in terminal facilities. It would tend to place the rail carriers operating warehouses and storage sheds on a parity with municipal and private enterprises in that field, which necessarily must obtain for their service at least the out-of-pocket cost."

This issue has been before the Interstate Commerce Commission but for some reason it has not taken the action that would eliminate the unfair competi-

tion offered by the rail carriers to municipal and private enterprises. It will be recalled that the commission held a series of hearings on port facilities and charges in 1921 and 1922; that it reopened the case on the request of the U. S. Shipping Board and held more hearings in 1927 and 1928, and that it issued an order the latter part of 1929 in which it gave the rail carriers that which approximated a clean bill of health. (See page 15, *Distribution and Warehousing*, December, 1929.)

During the consideration of that case the Secretary of War declared that railroad charges at South Atlantic and Gulf ports equalled about one-fourth of the cost of accessory services and that privately-owned terminals and warehouses could not operate at such low costs in competition with the rail carriers. However, the record in that case clearly established that the privately-owned facilities as well as the municipal ones were vital to traffic and that their elimination would result in chaos in many of the ports.

On that occasion the commission found that rail-water terminal facilities at the North and South Atlantic and Gulf ports were reasonably adequate to the requirements of traffic; that the railroads' charges on this traffic did not impose a burden on other traffic.

The commission stated, however, that carriers, when leasing their warehouses to shippers, should endeavor to obtain

## RAILROAD "ALLOWANCES"

terms no less favorable than were the warehouses operated independently of the railroads.

Commissioner Eastman dissented from the majority opinion in that case and clearly pointed out the undue advantages given the rail carriers—advantages which the McDuffie bill attempts to eliminate. Commissioner Eastman in his dissenting opinion said:

"It is stated in the majority report that 'storage is not a service included in the line-haul rates except in so far as a limited free-time storage is allowed under shipside rates.' My understanding is that this is only a half-truth. Separate charges are published for storage at the railroad piers, but it seems virtually to be admitted that these charges often fall far short of a reasonably compensatory level. To a substantial extent, therefore, compensation is secured, if at all, either through the freight rates to and from the ports or from traffic in general.

"The objections to this situation are manifest. Here, also, as in the case of dockage, the railroads are performing a service which they do not hold themselves out to furnish to the full extent of the public need and which must be supplied to a very considerable extent by others who have no similar means of recouping losses. It is clear from the record that unjustifiable injury results from this unfair competition."

Commissioner Eastman asserted also

that the commission had "the authority to require these charges to be maintained at a reasonable level, and we ought to exercise this authority, not only to prevent unjust discrimination as between shippers or an unwarranted burden upon traffic in general, but also in the general public interest. The railroads would have no difficulty in determining reasonable storage charges."

When placed along side the record in this case, Commissioner Eastman's dissenting opinion appears to be altogether in accord with the evidence. If there is any doubt as to the commission's authority in the premise, none will remain if the McDuffie bill obtains favorable consideration in Congress. The measure would place a mandate on the commission, first, to fix the value of the port facilities, such as warehouses, and to separate this valuation from the valuation of the carrier's other property; second, to require that rates and charges for the use of wharves, docks, warehouses, etc., be separately stated in the carrier's tariffs; and, third, that the rates and charges be so fixed as to cover the cost of operation and maintenance and yield a reasonable return upon the value of the facilities.

It would then be impossible for a rail carrier to conceal a less-than-cost-of-service charge for warehousing, storage or dockage, by including the charge in a through rate.

## Federal Court Reserves Decision in Philadelphia "Allowances" Case

DECISION was reserved, on March 28, by the special Federal Court of Equity in Philadelphia, before which final arguments were made by counsel for both sides in the suit of four Philadelphia warehouse companies seeking the nullification of the Interstate Commerce Commission's order which would prohibit the Pennsylvania, the Baltimore & Ohio and the Reading railroads from employing them as their agents under contract and from compensating them for transportation services rendered. The Court was composed of Circuit Judge Joseph Buffington and District Judges J. Whitaker Thompson and Oliver B. Dickinson. It was stated that the opinion in the case would be made within the following thirty days.

The litigation concerns the legality of contracts which the Merchants Warehouse Co., the Pennsylvania Warehousing & Safe Deposit Co., the Quaker City Cold Storage Co. and the Philadelphia Warehouse & Cold Storage Co. have with the three railroads, under which the carriers compensate them for loading and unloading carload package freight, a service which the carriers must perform free at their railroad stations, according to their published tariffs.

Opposing the cancellation of the order is the Interstate Commerce Commission,

the Federal Government and a group of warehouse concerns, including the Terminal Warehouse Co., the Northeast Warehouse Co., Walter A. Bailey, James Gallagher and others, who brought the original action, and who, claiming discrimination, alleged that the payments made by the carriers are illegal and that the contract warehouses are not railroad freight stations, despite their designation as such in the tariffs of the railroads.

Owen J. Roberts, of counsel for the petitioning warehouses, summing up the case for his clients, declared that the contracts between the warehouses and the railroads were legal and insisted that the warehouses were freight stations and that the services they rendered for the carriers were transportation service which the railroads must perform under their tariffs.

Mr. Roberts outlined the service the contract warehouses perform in addition to the merely physical unloading and loading of carload package freight and pointed out their responsibility as a railroad agent. He denounced the inconsistency of the Interstate Commerce Commission in allowing a warehouse in Baltimore to continue receiving compensation for the loading and unloading of hay, straw and flour, and denying com-

pensation for similar services in handling other commodities. Mr. Roberts contended that if on the other commodities the compensation was a "rebate," as the complainant warehouses hold that payments to the Philadelphia warehouses are, "then the Interstate Commerce Commission is guilty of sanctioning rebating."

John J. Hickey, counsel for the complainant warehouses, took issue with Mr. Roberts, maintaining that hay, straw and flour were not part of the Baltimore proceeding in which he was counsel, and added that the reason they were not was because his clients were not equipped with facilities to compete with the other warehouses for the commodities and therefore there was no discrimination—one of the grounds on which that and the present action were brought.

Judge Buffington said he could see no distinction between one commodity and another, insofar as the legality for the payment of compensation was concerned.

In answer to the complainant's charge that, because shipments are sent "care of" the contract warehouses, they are the receivers of freight and are being compensated for loading and unloading freight, constituting a violation of the

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## Its Economic Relation to Public Warehousing

Number 62

### Principles on Which Rates are Made and Modified. The Approach When Applying for Reductions

By H. A. Haring

**T**HE State of Wisconsin has been the fountainhead for many economic theories, some of which were dramatized in the personality of the elder Senator LaFollette during his political career. One of these theories has come to be known as the "postal card" theory of relief from injustices.

This "postal card" theory goes on the assumption that the individual is down-trodden by mighty corporations; that the individual is unable to protect or defend himself; that he has no alternative other than to pay the bill, with grumbling as his only outlet for rage. Therefore, in order to give the individual a chance, the Wisconsin theory attempted to set up commissions and regulatory bodies, with full power over utilities, but with a procedure so simple that any citizen might complain by merely writing a postal card. The State would do the rest: Investigate, determine rights and compel compliance.

So popular was this particular theory, born in Wisconsin, that in all the country politicians seized upon it as a platform to win support of the voters. And, both in the States and in the Federal Government, some approach to the "postal card" method of voicing complaints has become possible.

So uniform, indeed, is now this procedure that commissions and regulatory bodies have been obliged to divide complaints into the two classes of "formal" and "informal," for this reason. "Formal" cases require that all papers submitted must be technically correct, and the manner of appearance is so involved that attorneys are necessary, unless a party is willing to risk loss of his cause through some slight technicality. With "informal" complaints, on the contrary, both parties present their statements of facts, the supporting data and their views of the proper solution. Procedure is thoroughly informal, with man meeting man around the office table in the presence of the regulatory body. Even the hardest cases are thus

**M**INOR requests for changes are usually made to the railroad solicitor who calls on the shipper, in about the manner that any purchaser discusses with the salesman questions about the goods. Freight traffic is the commodity sold by

the general freight agent of the railroad and all his lieutenants. They are anxious to please shippers, as would be natural, and thus become the willing vehicle for a vast quantity of routine adjustment of ratings and rates. Problems which may

determined in a manner so simple that any traffic manager should be able to represent himself.

Despite this informality, only a small share of the cases laid before the State and Federal commission, with relation to freight rate adjustments, are won by the one who complains. They are lost, in the opinion of members of these commissions, because of not understanding what is required. Complaints are lodged, and requests filed, for modification of freight rates and ratings, only to be lost because the petitioner has not grounded himself on the rules for making rates.

"The claims are too vague." "They run counter to all the theories of rate making." "They expect the commission to employ experts to work up the case for them." "They ought to base claims on someone, or several, of the rate-making theories, and marshal facts to support the claim." Comments such as these have come, during the past two years, from members of railroad commissions in personal interviews when they have been induced to discuss this question.

At the risk, then, of somewhat greater length than is usual for the articles of this series, we shall outline the principles upon which freight rates are made and modified, both for rail and trucks, in the hope that when applying for reductions the reader may direct his attack where it will win his case.

And, before we proceed, may we mention J. Haden All dredge, chief of transportation for the Public Service Commission of Alabama, who has generously allowed reuse of his own published work in this field. Mr. All dredge, both in printed book and in contributed articles to legal periodicals, has done much to clarify the principles of freight rates, and, for these pages, has permitted us to print his analyses and classifications, all of which are far more detailed than those of the Interstate Commerce Commission reports or the freight traffic manuals.

thus be settled are largely those which the law permits the shipper and the carrier to adjust without recourse to a higher authority.

Many questions, however, cannot, under the law, be determined in this "friend-

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ly way," or, as the law states it, "cannot be settled by the shipper and the carrier acting in conjunction with each other." Such questions must be referred for adjustment to commissions, and similar bodies, of competent jurisdiction.

Except for very unusual requests—and these we shall not touch in these pages—a case may be laid before one of the classification committees, or before a railway commission, in an informal manner. Application may be made either in person or by mail for rulings. No way is better than a good business letter, embodying a proposal for the change and reciting the appropriate facts.

Cases of this sort are decided by the commissions without "formal" complaint, without published "hearing," and without all the technical formalities of a court of law. They are known as cases for the "informal docket." The procedure is analogous to that of any business concern whose directors, or officers, sit down together to listen to data and discussions and then to make a decision.

The complainant begins by sending a business letter, stating his own name and address and the same for the carrier complained against. A clear statement of the facts is necessary. It is required also to outline the sections of the law (such as the Interstate Commerce Act, the Elkins Act, a State's law, etc.) which is being violated, provided the complaint is a protest against present practices. If the request is for classification of a new commodity, for a rate desired but not voluntarily granted by a railroad, for a service not yet in effect, or for any extension of present practices, the applicant must outline the sections of the law under which his request ought to be granted. It is usual, too, for an applicant to claim as many clauses of the law as he can.

There must be a specific, definite proposal for relief.

## Theories

FINALLY, in addition to these statements, "there must be stated the theory on which the complaint is made."

Ratings of commodities for the classification, as well as price rates for moving the freight, are based on certain "theories" which have been from time to time laid down by the Interstate Commerce Commission, the courts, and the State regulatory bodies. These "theories" have become the "principles of freight transportation"—fought out at great cost one at a time. New "theories" appear from time to time, usually as the result of "formal" complaints, but, for any ordinary case under the informal dockets, the trick is so to prepare the complaint that it fits nicely into accepted "theories."

The chairman of one of the State commissions was speaking of a certain traffic manager (for an industry) who "has won nearly every case he ever brought to the Capital." Said the chairman:

"He is a perfect complainant. He selects about three theories for each case he brings here. Then every chart and exhibit is run like the tooth of a gear into one of those theories. If some of his facts do not fit, he either throws them away or reworks them until they do fit. So, when he comes in, he sets up such a clear case that the other side must discuss it right to the point."

In addition to all the prohibitions of our railway laws there are a few negative "theories" of rate making which have been so emphasized by courts and commissions that they should not be overlooked.

One of these relates to the purpose of the law. The transportation law "does not attempt to equalize fortunes, opportunities or abilities." The highest court of the land has declared that industrial conditions can not be regulated under "the guise of regulating freight rates." Yet any substantial readjustment of rates is apt to have an important effect on the fortunes and abilities of corporations, individuals or communities. The law does not seek to destroy natural advantages. It does condemn and seek to eliminate "artificial" advantages which have been created by abuse of the rate-making prerogative. When, therefore, rates have been made on the proper basis, there is no claim under the law to enjoin enforcement because of "opportunities" which may be injured by them.

Another theory not sanctioned is that "ownership of the goods is the basis for fixing the charges." It is thoroughly un-American to vary the rate "on the circumstance that the shipper is or is not the real owner of the goods." It is impossible to have one rate for the owner of goods, another for a customer or broker; nor is it permitted to have one rate for the occasional shipper and another for the frequent patron.

A further theory not sanctioned is the so-called "wholesale theory"—a different rate for large quantities of freight. (For passenger fares, on the other hand, lower rates are permitted for parties of ten or more traveling together). In the application of the "wholesale theory" it has been definitely settled that no larger unit than the carload will be observed. Trainload rates were early disapproved on the ground that it would be unfair to make rates in such a manner, because of the limited few who could benefit from such rates.

Nor has any "mathematical formula for rate making" been sanctioned. Although stabilization of rates is one object of regulation, yet rates must not become rigid and unyielding. Any mathematical formula for rates would be inelastic. It might be simple to apply, and, at first thought, would appear to be an improvement on the complexity now prevailing; but, for

## Its Economic Relation to Public Warehousing

freight movement, the exercise of judgment is required. The commissions are allowed some flexibility in rates, so long as they comply with the requirements of the law.

### Factors

IT would be dangerous for railroads to make rates upon mere theories or conjectures. They must deal with business as they find it. Yet in the regulation of rates certain principles, known as "theories," have been enunciated by the commissions and the courts. "No one of them may be considered as necessarily controlling a rate," and it is for this reason that when complaining of a rate the applicant tries to fit his case to more than one "theory." If one is upset, the case has other limbs to hang on.

The following are the most important "theories" recognized by the courts and the commissions as factors in the making of freight rates. For rating of commodities, under the classifications, the theories are similar, because the classification of freight, in final analysis, is merely a process of distributing the total rate burden among the different articles of commerce. Some factors do not apply with classification, such as distance, density, direction of movement; whereas bulk, weight and value become of great importance, as do also such considerations as mode of packing, condition as to finished or crude state, loading characteristics, etc.

#### 1. Cost of the service.

Many theories for making rates on the basis of cost have been advanced, but no one with responsibility for fixing rates has ever attempted to put such a theory into practice. It may cost the railroad no more to move a box of 100 pounds of silk than a bale of refuse rags of like weight but the charges will be several times as great for one as for the other. The discrimination is justified by knowing that equal rates would put transportation of the less valuable article out of the question. Cost, in this instance, is modified by value of the goods, ability to stand the transportation charge, etc.

It is possible to make rates for some accessory services with reference to cost of service; but not transportation as a whole. The best that it has ever been possible to do is to make a reasonable estimate. But cost of the service could not be made the controlling factor in rates. For one consideration, transportation costs vary from month to month, season to season, year to year. Rates made on such a basis would move with fluctuations in the cost; rates would be as uncertain as for ocean carriage and would be a serious impediment to commerce.

#### 2. Value of the service.

This factor gives a maximum limit to the rate. By resorting to the following sources of information it is possible, in a

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majority of cases, to determine the value of the service with sufficient accuracy for practical purposes:

- (a). Past experience in the movement of commodities under established rates.
- (b). The values of commodities, the average profits accruing to those who manufacture, distribute and handle them, and the competition encountered in their sale and distribution.
- (c). Availability and the cost to shippers and receivers of other means and methods of transportation.
- (d). Availability, cost and practicability of commercial substitutes.

Information of this sort is compiled by the commissions for guidance in determining value of the service.

### 3. Competition.

The commissions recognize different sorts of competition. Rate making takes account, of course, only of that competition which affects the movement of commerce. Mr. Aldredge states that the following classification of competition has been found helpful in making rates, "although it is not free from faults":

- (a). Carrier:
  - (1). Between common carriers of the same sort: that is, railroads versus railroads, boat lines versus boat lines, motor vehicles versus motor vehicles, etc.
  - (2). Between common carriers of different classes: that is, railroads versus boat lines, railroads versus motor vehicles, etc.
  - (3). Between common carriers and private carriers.
  - (4). Between common carriers and the government's rail and water transportation services.
- (b). Commercial:
  - (1). Between individual industries, producers, shippers and receivers.
  - (2). Between markets.
  - (3). Between commodities.
  - (4). Between foreign industries, producers, shippers and markets, and domestic ones.
- (c). Cross-country:
  - (1). Between carriers for freight originating at country points adjacent to more than one railroad or other transportation line.
  - (2). Between carriers for freight destined to country points adjacent to more than one railroad or other transportation line.

Those who file complaints should remember that the Interstate Commerce

Commission has repeatedly ruled that it "cannot require a carrier to meet the competition of other carriers of the same class. A carrier may at any time make a rate lower than the commissions could lawfully require, and the commissions will not force others to meet the rate. It is the privilege of any carrier to meet competition of another of the same class, or of a different class, but it is a question whether a shipper can demand lower rates from a carrier which does not choose to meet competitive rates.

Carriers quite generally maintain their right to use discretion in meeting any form of competition.

Most of the State commissions are by law limited "to the prescription of maximum rates." Upon the Interstate Commerce Commission there is no such limitation, but it has itself ruled that "in the fixing of maximum reasonable rates, competition is not a factor which we may take into consideration." This body, however, as well as others, has recognized the constant competition between commodities having similar uses. The relative rate is often fixed for this reason, and, in rating a commodity for the classifications this form of competition is regularly given much importance. It is the most usual basis for an application for reclassification of a commodity.

### 4. Value of the commodity.

Value is a factor because it measures the risk involved. It also measures the ability of the commodity to stand the charges. It is obvious that the higher the value the greater is the risk assumed by the carrier. As a general rule, too, the higher valued commodities are able to stand freight charges better than lower grades.

The commissions recognize three kinds of value in goods.

- (a). Natural value.
- (b). Intrinsic value.
- (c). Market or money value.

All three of these may be considered in making a rate, but market or money value is the most important and the one most frequently used.

### 5. Ability of the commodity to stand a transportation charge.

When the charges exceed the ability of that commodity to stand them, it will naturally cease to move. The test of experience is, perhaps, the best criterion for determining this matter. The commissions also make investigations to see whether there is a wide enough margin between the cost of production of a commodity and its selling price. It is within this margin that the freight charge must be absorbed. The transportation charge offers greater resistance to the free movement of low grade than it does to high grade commodities. Another consideration, which has influence on this question, is the availability of local supplies of the commodity or the availability of substitutes.

## Its Economic Relation to Public Warehousing

6. Commercial importance, and use, of the commodity, and whether such use will tend to create additional tonnage for the railroads.

It is unlawful to limit a freight rate "to a particular use to which the commodity may be subjected." Though not able to restrict the use, the railroads yet recognize that factor in fixing the rate.

The commercial importance, and use, of a commodity may be helpful:

- (a). In determining the ability of the commodity to stand a transportation charge.
- (b). In fixing the relationships in rates between particular commodities or classes of traffic.
- (c). In properly distributing the general rate burden among all the different commodities and classes of traffic entering into commerce.

The carriers themselves establish many rates for the purpose of developing additional tonnage, such as low rates for fertilizer in order to gain tonnage in agricultural products. They grant transit privileges to the same end.

7. Nature and inherent characteristics of the commodity: that is, whether crude and solid, liquid or dry, perishable or non-perishable, explosive or non-explosive, etc.

These considerations give rather obvious differences in the rate. It is a principle rather generally accepted that the rate for raw materials should not exceed that on the manufactured product.

8. Physical characteristics of the commodity, such as size, weight and length per unit, etc.

These characteristics apply particularly to less-than-carload shipments, where the railroad must do the handling. All these things, of course, enter into the direct cost of the service and are proper elements in determining the rate.

9. Loading characteristics of the commodity: that is, whether it is susceptible of heavy loading or not and the conditions affecting the car loading thereof.

The car is the freight-hauling unit of the railroad. The revenue is the result of two factors, namely, weight and rate. Earnings per freight car are, in railroading, a matter of importance, and they are materially affected by the weight loaded into a car. With a difference for hauling so little as not to be measurable, the revenue from a carload of 40,000 pounds is twice that of a lading of 20,000 pounds.

Rates take into account two aspects of loading:

- (a) The minimum carload weight.
- (b) The average carload weight.

Several things influence the average loading of commodities, other than the required minimum lading. One of these is commercial conditions, such as the custom of the trade, with carload shipments. The trade is not always willing to buy a com-

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## Its Economic Relation to Public Warehousing

modity in carload units as large or as heavy as it might be possible to load a car. Then, on the other side, the loading of cars too heavily with some commodities has a tendency to increase the liability to damage, in which event the damage claims might be more than the revenue gained by heavily loading.

10. Risk involved in the transportation of the commodity.

Risk is one of the very important factors in rate making.

At one time rates showed wide differences according as to whether they were at "Carrier's risk" or "Owner's risk," but this division of liability is growing obsolete. Constant efforts over a long period of years to improve methods of packing and protecting freight and to promote safety about railroad yards have considerably reduced many risks of careless packing and thievery. No better argument can be presented for a favorable classification of a commodity than a demonstration of its careful packing, its little liability to inherent "vice," etc.

The risk of the carrier is affected by:

- The value of the commodity.
- The nature and inherent characteristics of the commodity.
- The manner of packing and preparing the commodity for shipment.

Risk includes, also, damage which a commodity might possibly cause to other freight.

11. Manner of packing and preparing the commodity for shipment.

Proper packing reduces the bulk of an article, thus conserving car space and contributing to lesser transportation costs. This argument is often overlooked by applicants for reclassification of their products.

12. Volume, character and direction of the movement.

There is no rule for the difference between carload and less-than-carload rates, although it has been stated that "the usual spread is two full classes."

13. Density of traffic.

This "theory" is steadily growing in favor with the commissions. It should not be overlooked by those who can demonstrate that their product increases the freight density of a particular "rate-making territory," because if such is the case, a lower rate is warranted.

Density of traffic is a combination of volume of freight traffic and length of haul. It is expressed in "revenue ton-miles per mile of road," the computation being made by taking the total tons of revenue freight, multiplying it by the miles that freight moved, and dividing the result by the number of miles in the railroad, or the miles in the section or territory. When considered in this sense, density of traffic, whether for a single commodity or to all freight moving, be-

comes more important as a rate making factor than the volume of traffic. Density has a more appreciable effect on the cost of service and on the aggregate earnings than mere volume without reference to the distance the freight must be moved.

Density is important in making a rate:

- When it relates to all traffic combined.
- When it relates to a single commodity, to a group of commodities, or a particular class of traffic.

For the past nine years, since the passage of the transportation Act of 1920, the Interstate Commerce Commission has ceased to make different rates for different railroads in a territory because their density of traffic differs. Today it considers the average density of traffic for a group of roads. Thus it hopes to avoid rate barriers and rate walls. Applicants, with large tonnages, should study the relation of their commodity to traffic density in order to benefit by the tendencies of today.

14. Distance or mileage involved in the haul.

No recognized authority on freight rates would claim that distance is an absolutely accurate measure of the cost of hauling freight, although, in a general way, the cost of transportation varies with the length of haul.

While the aggregate cost increases with the distance, the cost per ton per mile actually decreases. This is for the reason that terminal costs at origin and destination have a tendency to vanish as the mileage increases. Of recent years distance has had augmented emphasis in the making of rates. Chief of the reasons for this is that both carriers and shippers resort to distance comparisons to justify or condemn a rate adjustment. But there are other reasons, as the following résumé by Mr. Alldredge will show. He summarizes the reasons for and against the distance theory to be these:

(a). Factors for the distance theory:

- It affords the most practicable means of avoiding unlawful discriminations in rates.
- It has a tendency to stabilize the rate structure, thus enabling business to proceed in the course of its normal development without fear of frequent disturbances through rate readjustments.
- Rates made on this theory have the great practical advantage of being readily understood by the public.
- It has a tendency to check wasteful transportation.

(5). It affords the most practicable basis for harmonizing the various intra-state rate structures of the country with the interstate structure.

(6). By common consent, distance is the most accurate criterion yet discovered for determining the average underlying costs of services, and furnishes, at the same time, the most accurate measure of the quantity of service rendered.

(b). Factors against the distance theory:

- It is not always an accurate and reliable measure of the cost of service.
- It does not give adequate recognition to the competitive forces which are constantly at play in the commercial world, and it fails to accord sufficient influence to other important rate making factors.
- It restricts the distribution of commodities, thus retarding the fullest development of all parts of the country.
- It prevents the employment of the most economical routes for the transportation of freight in many instances.
- It does not promote simplicity in the rate structure, or in the publication of tariffs, any more than is possible under other systems or theories of rate making.
- It has been shown by experience to be unsuited to some commodities, and it is, on the whole, the wrong theory of rate making for a territory of such geographical extent and such diversity of conditions and interests as this country is.

This country has, without question, a growing desire for some uniformity in rates, and the mileage or distance basis has much support in Congress. That body has been increasing the rigidity of requirements for "Fourth Section" exceptions—the long-and-short haul rule—and this action has focussed attention on distance as a factor in rate making.

15. Character of the haul: that is, whether main-line, branch-line or switching, joint-line or single line, and, if joint-line, whether the lines forming the route of movement are under common ownership and management or not.

Under improved accounting methods, combined with the growth of "systems" among the railroads, this factor is of less importance each year.

16. Nature of the equipment necessary

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for the proper transportation of the commodity.

Special equipment adds to the cost. As a general rule the railroads find that the cost of maintenance exceeds the cost for ordinary equipment; that such equipment has long periods of idleness; etc.; all of which are legitimate factors in making the rate.

17. Whether the equipment used in transportation of the commodity is likely to be returned loaded or empty.

It needs little demonstration to show that this is an important factor. Often an applicant is able to show that the returning equipment may be loaded with some other commodity and thus turn a loss into a gain for the carrier.

18. Whether or not extra services are required in the transportation of the commodity.

Refrigeration or heat, unloading and feeding, custodian and caretaker transportation, and the like, are obvious elements of greater cost.

19. Terminal expenses and assembling costs incident to transportation of the commodity.

There is no rule in law for the dividing line between terminal expenses to be properly included in the rate and those to be charged separately. It is in each case a question of fact. It presents knotty problems to the commissions.

20. Rates on the same commodity and analogous commodities moving under substantially similar circumstances and conditions.

One of the most familiar and most frequently employed methods to test the "reasonableness" of a rate is to compare it with rates already in effect for similar commodities. Such a method has been sanctioned by the courts in many decisions. This method affords a fairly reliable method to determine the proper remuneration to the carrier, and, as well, what the service is worth to the shipper. In this manner the lessons of experience are profitably utilized in making new rates.

The comparisons, however, must be fair and reasonable. An applicant may be richly rewarded by citing appropriate il-

lustrations of this sort. His doing so will lead the commission to reexamine the evidence upon which the analogous rate was established, often to the benefit of the applicant.

21. Aggregate or total net earnings of the carriers concerned.

This theory is important when revising the rate structure as a whole but helps little, if any, for individual rates or even individual industries.

22. General public good, including good to the shipper, the carrier and the different localities affected.

The railroads can not be compelled to suffer for the public good. Every effort to appeal to this theory becomes involved in a larger discussion: "rates must be measured by a fair return on the property." Like the appeal to aggregate earnings, this theory is of no avail to the individual or the single industry.

### Trucking

**I**N many States, regulation is now imposed over the rates of motor vehicles. The law recognizes that trucks perform a type of transportation which is "common carrier" in nature, even though they penetrate to places wholly inaccessible to other transportation.

The making of freight rates for trucks, while similar in many respects to freight rates for railroads, requires consideration of the special circumstances which surround motor transportation.

Store door delivery and pick-up service is the general rule in motor truck transportation, whereas it is the exception with railroads. This pick-up service is a substantial value to the shipper. It not only saves time and expense for both shipper and consignee, but also introduces an element of convenience and undoubtedly contributes materially to the speedier operation of motor transportation.

With trucks, there is no reason for establishing carload and less-than-carload rates as with the railroad. In the few cases where carload rates have been authorized the custom grows out of their competition with railroads. Truckload and less-than-truckload quantities are the

natural units of shipment by truck, and, as with railroad movement, there is undoubtedly some economy in transporting by full loads as against partly filled trucks.

Operating costs, with trucks, are not wholly within their control. They are materially affected by the condition of highways. Unquestionably costs fluctuate more rapidly than with railroads. The railroad can reduce grades, eliminate curves and improve their roadways to suit their own convenience and the prospect of revenue, but the owner of a truck must await the convenience of the State in carrying out its program of road improvement.

With trucking, too, the cost of service varies with the size of the vehicle. As capacity increases, assuming that full loads are available, the cost per ton per mile goes down.

In regulating rates for motor trucks the commissions have come to give large consideration to packing requirements for the goods. Exacting and rigid rules for packing are not required; nor are they essential for safe movement. Less packing means less cost to the shipper, and should be reflected in the rate by paying slightly more for transportation itself.

Motor trucks are convenience carriers of freight in small lots. They compete with express and mail quite as much as with freight. Competition with carriers of another class becomes, therefore, a large factor in the "theory" of motor truck rates.

In some parts of the country classification of freight for trucks has come into existence. They are not standardized. The number of classes are few, the spread in rates is not great, and the use of classifications does not seem to be growing. With motor trucking the direct cost for labor and maintenance is so large a part of total costs that charges do not permit wide range. Bulk and weight are the important factors. Wherever the commodity cannot stand the charge, the truck is not under obligation, as is the railroad, to make a reasonable rate. The commodity is out of luck and must find another mode of transportation.

### Warehousemen Report Business Conditions to Shippers' Boards

**A**S chairman of the warehouse and storage committee of the New England Shippers Advisory Board, J. E. Sheldon, of the Sheldon Transfer & Storage Co., Inc., Holyoke, Mass., reported at the Board's recent fifth annual meeting, held in Boston, that the total volume of merchandise that would move during the second quarter of the year "will depend on factors which we are unable to forecast with confidence." Mr. Sheldon added:

"There is basis for the expectation that general business will improve during the next three months to the level of a year ago. In such a period we look for a greater demand for storage space to bring about more efficient distribution."

As chairman of the warehouse and storage committee of the Trans-Mis-

souri-Kansas Shippers Board, H. L. Trask, general superintendent of the United States Cold Storage Co., Kansas City, Mo., presented at the board's meeting in Jefferson City, Mo., on March 19, the following report:

"Practically all cold storages reporting from the territory report slight increase in tonnage for the past quarter over the same period a year ago. The Kansas City storages, in total tonnage, probably show an increase on account of added cold storage facilities.

"March, April, May, June and July are the months in which eggs are produced for storage, with the first eggs being stored very recently. Local storages have in storage at the present time, comparatively few eggs but would say the present holdings are above those of

last year. All indications point toward a heavy production of eggs and rather heavy storage holdings.

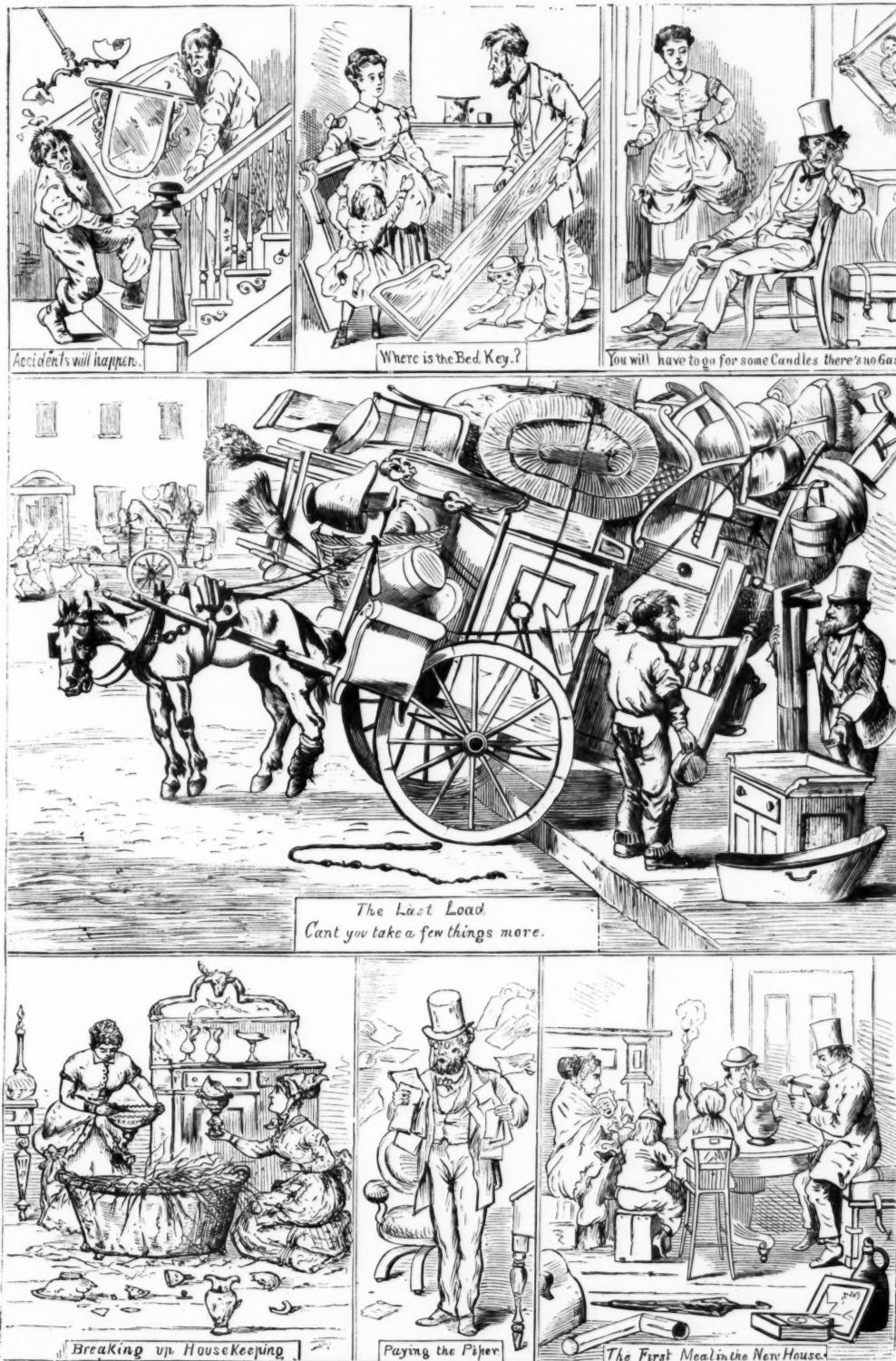
"Apples are being sold freely, the result being a decrease in apple holdings in Kansas City, with a probable slight increase in holdings throughout the territory. The apple crop last fall was generally under normal which was reflected in the storage holdings throughout the season.

"Packing house products and miscellaneous cold storage commodities show a decrease over the same period a year ago.

"Without exception, all warehouses reporting on car supply have indicated both supply and service to be satisfactory."

# Half a Century Ago

*The First Day of May  
in New York City*



Drawn by Thomas North

*Harper's Weekly, May 8, 1869*

LINTON  
WILLIAM  
MASON      SAYS:



*Secretary-treasurer of the Jacobs Transfer Company, Inc., Washington, D. C.*

# Combine the Elements of Time and Distance

and You Will Know Accurately Your Truck Costs

THE importance of knowing actual costs in any business can never be exaggerated, for costs make up the very life of all business. It costs so much to produce a certain thing; you are in business to sell the thing produced for more than it costs you, and if that is not done, you won't be in business long. This is just as essential in the operation of trucks, where the marketable commodity is a service, as it is in a millworking shop, where the commodity may be window frames. In the operation of trucks, every hour and every mile costs real money, and unless the customer is paying more than that cost, the hauling business is going backward.

But trucks are not so simple a problem as window frames. Truck costs vary with size of units, time used, and distance covered; and unless the cost figures are accurate, they are just as bad as no figures. The operator cannot say, "It costs me \$2.75 an hour to operate a 3½-ton truck." Nor can he say, "It costs me 34 cents a mile to operate a 3½-ton truck." Nothing so easy as that, because while those figures might well be his costs for one day, on one job, yet the next day, doing a different type of work, or a different job, his costs will be something else again.

Consider furniture moving, where the trucks are standing still the greater part of the time and there is little mileage, yet much labor involved. Very different is the local delivery work, using on each truck a driver and a helper, making three or four loads daily, with numerous stops, and averaging around forty miles. And how different from each of these is the inter-city freight hauling, involving a driver only, and a single load to a point possibly one hundred miles distant.

The need is evidently for a system flexible enough to show accurate costs for all these types of operation, yet simple enough to be easily used, so that the cost of a job may be determined *before* the work is done, in order to quote a selling price for your service that will insure a profit.

IT is therefore self-evident that, to obtain the accurate cost of a proposed job, we must take into consideration those expenses that arise even if we do not use a single truck, also the time that will be required to do the job, and the distance the truck is to cover.

We must combine the elements of *time* and *distance*, and the trucks that we actually use must pay every expense incident to the business.

Consider the following outline and definitions:

#### Cost Outline

1. Inactive: Those expenses that accrue, even though trucks are not operated.
2. Active: Those expenses that accrue by reason of the actual operation of trucks. Sub-divided into:
  - (a) Fixed: Expenses that accrue on a time basis, regardless of whether a truck runs 40 or 200 miles.

(b) Variable: Expenses that increase with increased mileage.

All costs, then, are divided into two main groups—inactive and active.

If we do not use any of our trucks on a work-day, some expenses nevertheless accrue, such as fire insurance, garaging, watchman's salary. Also, always costing money, regardless of the number of trucks used, will be found office salaries, advertising, interest on borrowed money, etc., all of which must be paid for by the revenue derived from the trucks we use. Such expenses are termed "inactive" because they go on independently of the activity of the trucks.

Under "Active Costs" we list all expenses that accrue by reason of the actual operation of the trucks, and we separate active costs into two sub-divisions, because there are two very plainly marked factors manifest in their origin—time consumed and distance traveled.

## TRUCK COSTS

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## Cost Sheet—1929 Basis—of The Jacobs Transfer Company, Inc.

1-TON TRUCK											3 1/2-TON TRUCK										
Miles	1 Hr.	2 Hr.	3 Hr.	4 Hr.	5 Hr.	6 Hr.	7 Hr.	8 Hr.	9 Hr.	10 Hr.	Miles	1 Hr.	2 Hr.	3 Hr.	4 Hr.	5 Hr.	6 Hr.	7 Hr.	8 Hr.	9 Hr.	10 Hr.
1	\$1.02	\$1.92	\$2.82	\$3.72	\$4.62	\$5.52	\$6.42	\$7.32	\$8.22	\$9.12	1	\$2.64	\$5.08	\$7.52	\$9.96	\$12.40	\$14.84	\$17.28	\$19.72	\$22.16	\$24.60
2	1.14	2.04	2.94	3.84	4.74	5.64	6.54	7.44	8.34	9.24	2	2.84	5.28	7.72	10.18	12.60	15.04	17.48	19.92	22.36	24.80
3	1.26	2.16	3.06	3.96	4.86	5.76	6.66	7.56	8.46	9.36	3	3.04	5.48	7.92	10.36	12.80	15.24	17.68	20.12	22.56	25.00
4	1.38	2.28	3.18	4.08	4.98	5.88	6.78	7.68	8.58	9.48	4	3.24	5.68	8.12	10.56	13.00	15.44	17.88	20.32	22.76	25.20
5	1.50	2.40	3.30	4.20	5.10	6.00	6.90	7.80	8.70	9.60	5	3.44	5.88	8.32	10.76	13.20	15.64	18.08	20.52	22.96	25.40
6	1.62	2.52	3.42	4.32	5.22	6.12	7.02	7.92	8.82	9.72	6	3.64	6.08	8.52	10.96	13.40	15.84	18.28	20.72	23.16	25.60
7	1.74	2.64	3.54	4.44	5.34	6.24	7.14	8.04	8.94	9.84	7	3.84	6.28	8.72	11.16	13.60	16.04	18.48	20.92	23.36	25.80
8	1.86	2.76	3.66	4.56	5.46	6.36	7.26	8.16	9.06	9.96	8	4.04	6.48	8.92	11.36	13.80	16.24	18.68	21.12	23.56	26.00
9	1.98	2.88	3.78	4.68	5.58	6.48	7.38	8.28	9.18	10.08	9	4.24	6.68	9.12	11.56	14.00	16.44	18.88	21.32	23.76	26.20
10	2.10	3.00	3.90	4.80	5.70	6.60	7.50	8.40	9.30	10.20	10	4.44	6.88	9.32	11.76	14.20	16.64	19.08	21.52	23.96	26.40
20	3.30	4.20	5.10	6.00	6.90	7.80	8.70	9.60	10.50	11.40	20	6.44	8.88	11.32	13.76	16.20	18.64	21.08	23.52	25.96	28.40
30	..	5.40	6.30	7.20	8.10	9.00	9.90	10.80	11.70	12.60	30	10.88	13.32	15.76	18.20	20.64	23.08	25.52	27.96	30.40	
40	..	6.60	7.50	8.40	9.30	10.20	11.10	12.00	12.90	13.80	40	12.88	15.32	17.76	20.20	22.64	25.08	27.52	29.96	32.40	
50	..	..	8.70	9.60	10.50	11.40	12.30	13.20	14.10	15.00	50	..	17.32	19.76	22.20	24.64	27.08	29.52	31.96	34.40	
60	..	..	9.90	10.80	11.70	12.60	13.50	14.40	15.30	16.20	60	..	19.32	21.76	24.20	26.64	29.08	31.52	33.96	36.40	
70	..	..	..	12.00	12.90	13.80	14.70	15.60	16.50	17.40	70	..	..	23.76	26.20	28.64	31.08	33.52	35.96	38.40	
80	..	..	..	13.20	14.10	15.00	15.90	16.80	17.70	18.60	80	..	..	25.76	28.20	30.64	33.08	35.52	37.96	40.40	
90	..	..	..	15.30	16.20	17.10	18.00	18.90	19.80	90	..	..	..	30.20	32.64	35.08	37.52	39.96	42.40		
100	..	..	..	16.50	17.40	18.30	19.20	20.10	21.00	100	..	..	..	32.20	34.64	37.08	39.52	41.96	44.40		
110	..	..	..	..	18.60	19.50	20.40	21.30	22.20	23.10	110	..	..	..	36.64	39.08	41.52	43.96	46.40		
120	..	..	..	..	19.80	20.70	21.60	22.50	23.40	24.30	120	..	..	..	38.64	41.08	43.52	45.96	48.40		
130	..	..	..	..	..	21.90	22.80	23.70	24.60	25.50	130	..	..	..	43.08	45.52	47.96	50.40			
140	..	..	..	..	..	23.10	24.00	24.90	25.80	26.70	140	..	..	..	45.08	47.52	49.96	52.40			
150	..	..	..	..	..	..	25.20	26.10	27.00	27.90	150	..	..	..	..	49.52	51.96	54.40			
160	..	..	..	..	..	..	26.40	27.30	28.20	29.10	160	..	..	..	..	..	51.52	53.96	56.40		
170	..	..	..	..	..	..	..	28.50	29.40	30.30	170	..	..	..	..	..	..	55.96	58.40		
180	..	..	..	..	..	..	..	..	29.70	30.60	180	..	..	..	..	..	..	57.96	60.40		
190	..	..	..	..	..	..	..	..	..	31.80	190	..	..	..	..	..	..	..	62.40		
200	..	..	..	..	..	..	..	..	..	33.00	200	..	..	..	..	..	..	..	..	64.40	

Cost per 100 lbs. for last distance quoted, capacity load basis

\$0.17 \$0.33 \$0.50 \$0.66 \$0.83 \$0.99 \$1.16 \$1.32 \$1.49 \$1.65

Inactive, \$0.37 hr. Active-fixed, \$0.53 hr. Active-variable, \$0.12 mi. Cost: Miles x \$0.12 plus hrs. x \$0.90.

2-TON TRUCK										
Miles	1 Hr.	2 Hr.	3 Hr.	4 Hr.	5 Hr.	6 Hr.	7 Hr.	8 Hr.	9 Hr.	10 Hr.
1	\$2.03	\$3.88	\$5.73	\$7.58	\$9.43	\$11.28	\$13.13	\$14.98	\$16.83	\$18.68
2	2.21	4.06	5.91	7.76	9.61	11.46	13.31	15.16	17.01	18.86
3	2.39	4.24	6.09	7.94	9.79	11.64	13.49	15.34	17.19	19.04
4	2.57	4.42	6.27	8.12	9.97	11.82	13.67	15.52	17.37	19.22
5	2.75	4.60	6.45	8.30	10.15	12.00	13.85	15.70	17.55	19.40
6	2.93	4.78	6.63	8.48	10.33	12.18	14.03	15.88	17.73	19.58
7	3.11	4.96	6.81	8.66	10.51	12.36	14.21	16.06	17.91	19.76
8	3.29	5.14	6.99	8.84	10.69	12.54	14.39	16.24	18.09	19.94
9	3.47	5.32	7.17	9.02	10.87	12.72	14.57	16.42	18.27	20.12
10	3.65	5.50	7.35	9.20	11.05	12.90	14.75	16.60	18.45	20.30
20	5.45	7.30	9.15	11.00	12.85	14.70	16.55	18.40	20.25	22.10
30	..	9.10	10.95	12.80	14.65	16.50	18.35	20.20	22.05	23.90
40	..	10.90	12.75	14.60	16.45	18.30	20.15	22.00	23.85	25.70
50	..	..	14.55	16.40	18.25	20.10	21.95	23.80	25.65	27.50
60	..	..	16.35	18.20	20.05	21.90	23.75	25.60	27.45	29.30
70	..	..	..	20.00	21.85	23.70	25.55	27.40	29.25	31.10
80	..	..	..	21.80	23.65	25.50	27.35	29.30	31.05	32.90
90	..	..	..	25.45	27.30	29.15	31.00	32.85	34.70	36.50
100	..	..	..	27.25	29.10	30.95	32.80	34.65	36.50	38.40
110	..	..	..	..	30.90	32.75	34.60	36.45	38.30	40.20
120	..	..	..	..	32.70	34.55	36.40	38.25	40.10	42.00
130	..	..	..	..	..	36.35	38.20	40.05	41.90	43.80
140	..	..	..	..	..	38.15	40.00	41.85	43.70	45.60
150	..	..	..	..	..	..	41.80	43.65	45.50	47.40
160	..	..	..	..	..	..	43.60	45.45	47.30	49.20
170	..	..	..	..	..	..	..	47.25	49.10	51.00
180	..	..	..	..	..	..	..	49.05	50.90	52.80
190	..	..	..	..	..	..	..	..	52.70	54.60
200	..	..	..	..	..	..	..	..	54.50	56.40

Cost per 100 lbs. for last distance quoted, capacity load basis

\$0.14 \$0.27 \$0.41 \$0.55 \$0.68 \$0.82 \$0.95 \$1.09 \$1.23 \$1.36

Inactive, \$0.74 hr. Active-fixed, \$1.11 hr. Active-variable, \$0.18 mi. Cost: Miles x \$0.18 plus hrs. x \$1.85.

Those costs that accrue on a time basis do not change, regardless of the use to which the truck is put or the distance traveled; consequently we call them "fixed." Here we have wages of drivers and helpers, liability, property damage and compensation insurance, and such like items.

Now, the further we run a truck, the more gasoline we use, the more tires we consume, and the more of the truck itself we wear out. This shows the second sub-division, which items increase with increased mileage, and for that reason are called "variable."

With this explanation of our outline, we can set up the following standard:

In order to facilitate the use of the facts set forth in his tables, one for each size of truck, giving costs from 1 to 10 hours over distances of 1 to 200 miles.

To use the tables, go along the top until you find the figure indicating the estimated time; then follow that column down until opposite the figure denoting the distance. The figures shown are costs, and whatever profit is required must be added to obtain a price for the work.

accompanying article, Mr. Mason has prepared these tables, indicating the estimated time; then follow that column down until opposite the figure denoting the distance. The figures shown are costs, and whatever profit is required must be added to obtain a price for the work.

Truck—Supervising ..... Labor  
 Truck—Sundry ..... (Includes garage rent, or if the building is owned, taxes thereon, interest on any indebtedness thereon, and cost of all insurance thereon; also heat and light, tags, water, watchman and similar items)  
 Other Insurance ..... (Includes such insurance as

Cost Account Classification

## Inactive

Truck—Supervising ..... Labor  
 Truck—Sundry ..... (Includes garage rent, or if

the building is owned, taxes thereon, interest on any in-

debtedness thereon, and cost of all insurance thereon; also

heat and light, tags, water, watchman and similar items)

Other Insurance ..... (Includes such insurance as

## TRUCK COSTS

Distribution and Warehousing  
May, 1930

Day	Drayage	Driver	Helpers	Gas	Oil	Material	Up. Labor	Special
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								

TRUCK NO.                    DRIVER                    MONTH

Here is the individual truck cost card used by the Jacobs Transfer Company, Inc.

accrues whether or not trucks are used)

Office—Salaries ..... (Both clerical and executive)  
 Office—Sundry ..... (Heat and light, office rent, or if the building is owned, taxes thereon, interest on any indebtedness thereon, and cost of insurance thereon; also water, stationery and office supplies, depreciation on office furniture and equipment, telephone, telegrams, postage; in fact, all the costs of maintaining the office other than wages)

Advertising ..... (Cost of entertaining customers, cost of calendars, mailing cards and presents, donations, programs, contributions and all advertising)

Automobiles ..... (Every item of cost in connection with all automobiles used in the business, including a proper allowance for depreciation)

Claims ..... (For goods lost or damaged, and all claim losses not covered by insurance)

Interest ..... (On money borrowed for the use of the business, or on trucks bought on deferred payments)

Reserved for Bad Debts.. (Fixed at 1% a month of total charge accounts for that

month, which we have found fairly sufficient)  
 Taxes ..... (All taxes of every description other than those paid on garage or office buildings)  
 Miscellaneous ..... (For such items as cannot be classified under any other given heading)

## Active—FIXED

Truck—Drivers' Wages  
 Truck—Helpers' Wages  
 Truck—Insurance ..... (Such insurance as accrues only when the truck is used)

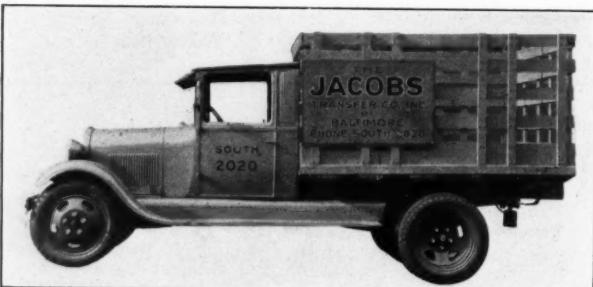
## Active—VARIABLE

Truck—Depreciation  
 Truck—Gasoline  
 Truck—Oil, Grease & Soap  
 Truck—Material for Repairs  
 Truck—Upkeep Labor (Mechanics' Wages)  
 Truck—Tires

To put this classification into operation we use a simple accounting system, handling everything on an accrued basis. The Check Register, Cash Paid Out Book and Purchase Voucher Register are columnar books, with a column for each heading listed in the classification. These books are closed each month, the totals journalized, and the Journal entries posted to the General Ledger, wherein there is a card for each heading of the classification. Also there is made up monthly



A 2-ton, vintage of 1925, described as "an off size, high in cost, with capacity but little better than the present-day 1-ton jobs." Weight, 8,923 lb.; permissible gross, 12,923 lb. Wheelbase, 170 in. Stake and panel body; inside measurements: length 12 ft. 6 in., width 6 ft. 4 in., stake height, 60 in. Bows are provided to support canvas cover.



One-ton Ford for pick-ups and special deliveries. Weight, 3,720 lb. Wheelbase, 13½ in. Stake body; inside measurements: length 8 ft. 6 in., width 5 ft. 8 in., height of stakes, 38 in.

a Voucher of Property Consumed for the accrued items, such as depreciation, tires, taxes, interest and insurance, which voucher is likewise journalized and posted to the General Ledger. The General Ledger cards are closed to Profit & Loss account, and there is the whole story.

## Allocation

THE active items, both fixed and variable, accrue on particular trucks, easily determinable, so our only extra work for purposes of individual costing is a set of monthly Individual Truck Cost Cards. A card is kept for each truck, and, as active expenses come up, they are broken up according to the trucks causing the expense, and entered on the proper cards. By grouping these cards according to truck sizes, we have an actual record of the cost of each separate size, with the truck-days and mileage for each truck and each size.

The proper allocation of inactive costs so that each unit will bear its own share of the burden is just as important as any other part of truck costing. Perhaps even more so, because it is the least understood of costs, although always making up a large part of the total.

A flat daily average basis covering all sizes of units is inaccurate. For instance, if we used ten trucks to-day, five of them 1-ton and the other five 5-ton, and our daily inactive



**3½-ton G.M.C.**—"the last word in speed, flexibility and utility." Weight, 12,780 lb.; permissible gross, 19,780 lb. Wheelbase, 18½ in. Stake and panel body, sides 1-piece; inside measurements, length 17 ft., width 6 ft. 11 in., length back of winch, 15 ft. 2 in. Bows are provided to support canvas cover. Equipped with Mead-Morrison drum winch with 300 ft. of 5/8-in. cable.

costs today totaled \$100, would we say the inactive cost was \$10 a truck? It is easy to see the error in such a course.

The reasonable solution of accurate inactive distribution is allocation on a capacity basis. The smaller the truck, the less initial cost, the less fire insurance premiums, the less garage space, the less supervision of its work, inasmuch as its performance is less; the less clerical work involved; in fact, the less of every kind of inactive expense.

Now increase the size of the truck and these same items immediately increase in proportion. Use to-day a 1-ton, a 2-ton and a 5-ton truck. On each trip we have a total load capacity of 8 tons, and if we distribute the inactive cost in proportion to load capacity, the 1-ton will bear 1/8 of the total burden, the 2-ton 2/8 and the 5-ton 5/8.

Considering the situation from a revenue viewpoint shows again the propriety of this method, as prices always are based on load capacity, and go up or down as the capacity varies.

### Inactive Costs

THE following shows the distribution of our company's inactive costs for the year 1929:

#### Inactive Costs, 1929, with Allocation

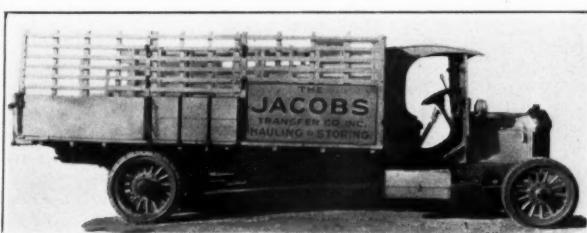
Items	1929	DAILY PER TRUCK			
		1-Ton	2-Ton	3½-Ton	5-Ton
Truck—Supv. Labor	5,080.88	.3570	.7140	1.2495	1.7850
Truck—Sundry	4,933.73	.3466	.6932	1.2131	1.7350
Other Insurance	.501.55	.0352	.0704	.1232	.1760
Office—Salaries	23,899.36	1.6792	3.3584	5.8772	8.3960
Office—Sundry	5,441.47	.3823	.7646	1.3381	1.9115
Advertising	4,763.03	.3346	.6692	1.1711	1.6730
Automobiles	1,062.52	.0747	.1494	.2615	.3735
Claims	781.51	.0549	.1098	.1921	.2745
Interest	860.42	.0605	.1210	.2117	.3025
Reserved for Bad Debts	2,152.60	.1512	.3024	.5292	.7560
Taxes	1,078.29	.0758	.1516	.2653	.3790
Miscellaneous	2,195.17	.1542	.3084	.5397	.7710
DAILY TOTALS PER UNIT	3,7062	7.4124	12.9717	18.5310	
HOURLY TOTALS PER UNIT	.37	.75	1.30	1.85	
TRUCK-DAYS	622	1098	1800	1023	

#### Example of Computation

622 x 1	.....	622
1098 x 2	.....	2,196
1800 x 3½	.....	6,300
1023 x 5	.....	5,115

14,233

Then, any total item divided by 14,233 will give the inactive cost per ton capacity per day for that item.



The "grand dad" of the Jacobs fleet—a 5-ton Pierce-Arrow still in use after nearly twelve years. Weight, 10,850 lb.; permissible gross, 20,850 lb. Wheelbase, 210. Stake and panel body, sides 3-piece; inside measurements, length 16 ft., width 6 ft. 11 in., stake height, 55 in.

### Active Costs

GROUPING the individual truck cost cards according to capacities, and totaling each class of expense in each group, gives us the facts for our active costs, both fixed and variable:

	1-Ton	2-Ton	3½-Ton	5-Ton
FIXED COSTS, YEAR'S TOTALS				
Drivers' Wages .....	2,214.00	5,372.62	9,288.54	5,384.56
Helpers' Wages .....	515.53	5,734.90	9,517.10	6,185.37
Insurance .....	577.28	1,016.75	1,668.84	948.52

YEAR'S TOTALS	3,306.81	12,124.27	20,474.48	12,518.45
TRUCK-DAYS	622	1098	1800	1023

### Fixed Costs, Daily and Hourly Basis

(Item cost divided by truck-days)	3.56	4.89	5.16	5.26
Drivers' Wages .....	.83	5.22	5.29	6.05
Helpers' Wages .....	.93	.93	.93	.93

FIXED COSTS PER DAY	5.32	11.04	11.38	12.24
FIXED COSTS PER HOUR	.53	1.11	1.14	1.23

### Variable Costs, Year's Totals

	205.75	1,342.98	2,613.57	1,093.84
Depreciation .....	.876.08	1,958.79	4,005.13	2,357.44
Gasoline .....	165.97	340.02	788.28	463.98
Oil, Grease and Soap .....	915.23	1,746.62	2,852.67	2,210.69
Material for Repairs .....	821.85	1,675.93	3,222.24	2,060.43
Upkeep Labor .....	400.52	1,176.75	1,823.98	1,100.83

YEAR'S TOTALS	3,385.40	8,241.09	15,305.87	9,287.21
YEAR'S MILEAGE	28,948	45,425	76,333	44,808

### Variable Costs, Per Mile Basis

(Item cost divided by mileage)	.0071	.0296	.0342	.0244
Depreciation .....	.0303	.0431	.0525	.0526
Gasoline .....	.0057	.0074	.0103	.0104
Oil, Grease and Soap .....	.0316	.0385	.0374	.0493
Material for Repairs .....	.0284	.0369	.0422	.0460
Upkeep Labor .....	.0138	.0259	.0239	.0246

VARIABLE COSTS PER MILE	.1169	.1814	.2005	.2073
MILE	.12	.18	.20	.21



The modern substitute for the "grand dad"—a 5-ton Mack on 5-hour run with cable from Point Breeze, Md., to Philadelphia. Weight, 12,500 lb.; permissible gross, 22,500 lb. Wheelbase, 19½ in. Stake and panel body, 1-piece sides; inside measurements, length 13 ft. 8 in., width 6 ft. 10 in., stake height, 48 in. Bows are provided to support canvas cover. Equipped with Mead-Morrison drum winch with 200 ft. of 5/8-in. cable.

### Finding Job's Cost

NOW we have the inactive and the fixed costs per hour, and the variable costs per mile, for each size of unit. To find the cost of a job, it is necessary to determine the time and the distance. For convenience, we add the inactive and the fixed costs per hour, and set up the following:

#### Formula for Costs

Inactive and fixed cost per hour x number of hours

Variable cost per mile x number of miles.....

COST OF JOB.....

Add profit desired.....

SELLING PRICE.....

The selling price thus arrived at is fair to the truckman because it takes care of all his costs and provides a profit, and is equally fair to the customer, since it is based on actual costs for his particular job.

# Warehouses 72% Filled in February as Against 74.6% in January

**Notwithstanding This Recession, However, the Occupancy Levels for Early 1930 Were Higher Than in Corresponding Period in Previous Two Years. Slightly Smaller Percentage of the Volume Received Remained in Storage in February**

By KENT B. STILES

## PUBLIC MERCHANTISE WAREHOUSING January-February, 1930

Division and State	Number of Warehouses		Per Cent of Floor Space Occupied	Tonnage				
				Received During Month	Delivered on Arrival	Received During Month	Delivered on Arrival	
	Jan. 1930	Feb. 1930		Jan. 1930	Feb. 1930	Jan. 1930	Feb. 1930	
NEW ENGLAND:								
Mass. and Vt.	45	44	49.4	48.9	*12,894	1,271	10,855	3,454
Conn. and R. I.	17	17	*53.3	54.0	*4,939	*2,685	4,626	2,722
MIDDLE ATLANTIC:								
N. Y. Metropolitan Dis. (1)	371	371	*80.6	71.4	*61,503	1,836	61,129	2,212
Brooklyn	250	250	80.1	63.9	31,750	131	30,568	120
Manhattan	76	76	*82.5	79.6	*8,303	355	7,541	532
Nearby N. J., and all other	45	45	*79.7	78.1	*21,450	1,350	23,020	1,560
New York	367	367	*78.9	69.1	*56,764	5,881	56,992	5,740
New Jersey	52	52	*79.5	77.3	*15,202	1,225	15,324	1,269
Pennsylvania	55	55	75.8	71.0	29,106	3,558	29,084	3,279
E. NOR. CEN.:								
Ohio	*33	33	*91.7	90.6	33,408	3,688	35,708	3,974
Indiana	25	25	*81.7	81.4	*2,542	*1,544	2,059	1,635
Illinois	64	64	82.9	81.4	59,767	4,479	63,492	5,440
Chicago	45	45	84.7	83.6	56,608	3,032	60,357	3,723
Michigan	*57	57	*70.6	71.7	*17,606	*3,384	15,748	2,799
Wisconsin	38	38	*78.3	78.7	*4,574	*2,472	5,057	1,972
W. NOR. CEN.:								
Minnesota	36	36	*80.9	79.0	*13,499	*5,529	14,689	6,310
Minneapolis and St. Paul	32	32	*80.5	78.5	*13,133	*4,787	14,003	5,457
Iowa	23	23	*79.6	79.5	*7,962	*2,291	5,466	2,032
Missouri	*39	39	*83.9	81.0	*19,644	*1,928	13,188	2,544
St. Louis	13	13	*79.5	77.4	*4,965	*386	5,212	333
N. Dak. and S. Dak.	9	9	93.1	93.4	1,833	315	1,709	363
Nebraska	*26	26	*82.3	79.5	*6,570	*2,117	6,321	2,146
Kansas	*19	19	*80.4	79.5	*3,478	*2,752	4,126	3,335
Del., Md. and Dis. of Col.	42	42	*58.3	60.8	23,296	7,823	30,119	8,117
Va. and W. Va.	30	30	70.2	70.3	5,351	42,047	5,949	41,936
N. Car. and S. Car.	12	12	71.8	70.9	1,576	563	1,555	597
Ga. & Florida	31	32	*73.4	76.1	*7,327	*2,870	9,568	2,947
E. SOUTH CEN.:								
Kentucky and Tennessee	*20	21	*69.2	62.3	*8,741	*3,396	8,245	3,075
Alabama and Mississippi	16	16	*66.9	74.6	*1,644	*1,184	2,404	1,087
W. SOUTH CEN.:								
Ark., La. and Okla.	22	22	*57.1	59.2	*26,250	*6,785	16,887	6,732
Texas	58	55	*85.9	85.4	*16,162	*7,147	16,481	7,085
MOUNTAIN:								
Idaho, Wyo., Mont.	9	9	*92.6	82.1	720	925	640	755
Ariz., Utah, Nev. & N. Mex.	16	16	78.4	77.1	7,275	1,100	4,380	1,207
Colorado	17	18	*76.2	72.7	*1,233	*1,596	1,084	1,619
PACIFIC:								
Washington	31	31	*71.1	77.6	*17,798	*11,330	20,076	11,339
Oregon	7	7	68.5	67.3	8,184	*8,133	13,616	12,345
California	*105	107	72.4	72.8	*23,755	*7,525	26,060	7,126
Total for United States	*1,321	1,322	*74.6	72.0	*439,100	*147,543	441,508	154,981

\*Revised.

(1) Because of the importance of this territory, figures are shown separate from the State totals; this area includes all of the boroughs of New York and adjacent New Jersey territory.

SEVENTY-TWO per cent of the space devoted to general storage in public warehouses was occupied by merchandise at the end of February, according to reports made to the Bureau of the Census of the Department of Commerce. A summary, in table form as reproduced on this page, was made public on April 17, setting forth revised occupancy and tonnage figures for January and tentative reckonings for February.

The Feb. 28 occupancy percentage, 72.0, is 2.6 per cent under the level of Jan. 31, when the mark was 74.6, but it is higher than the percentages recorded on the last days of February in 1929 and 1930. The Jan. 31 figure, 74.6, is similarly an improvement over the marks on the corresponding dates in the two previous years. The comparisons, for the entire country, follow:

	1928	1929	1930
Jan. 31.....	67.6	67.7	74.6
Feb. 28.....	68.7	68.3	72.0

The tonnage figures in the table show that out of the 596,489 tons which arrived at the 1322 reporting warehouses during February, 441,508 tons, or 74.0 per cent, entered storage, the balance being delivered on arrival. This compares with 74.8 per cent in January, when 439,100 tons went into storage out of 586,643 tons arriving at 1321 reporting plants. Both the January and February percentages are higher than the ones recorded for the same two months in 1929 but are below the levels reported for the corresponding months in 1928, as the following comparisons show:

	Percentage Entering Storage		
1928	1929	1930	
January .....	83.3	73.2	74.8
February .....	83.6	71.8	74.0

In the foregoing occupancy and tonnage comparisons the February figures are subject to revision based on additional reports.

**Occupancy**

THE occupancy increase for the country on this past Feb. 28 was 3.7 per cent over the figure recorded on the same date last year, and was 3.3 per cent above the level on that date two years ago, for the entire country. The 3.7 per cent gain this year over last was reflected in fewer than half the States—by Massachusetts and Vermont in New England; New York and New Jersey in the Middle Atlantic section; Ohio, Indiana, Illinois and Michigan in the East North Central division; Iowa and Nebraska in the West North Central group; all the South Atlantic States except Georgia and Florida; Idaho, Wyoming and Montana among the Mountain States; and Washington and Oregon on the Pacific Coast. No gains were recorded in the States in the East South Central and West South Central divisions. The following comparisons are available:

	Occupancy—Feb. 28		
	1928	1929	1930
Mass. & Vt.	46.1	48.0	48.9
Conn. & R. I.	59.1	63.3	54.0
N. Y. Met. Dis.	72.1	35.3	71.4
Brooklyn	48.2	41.3	63.9
Manhattan	78.3	67.6	79.6
Nearby N. J.	75.5	72.5	78.1
N. Y. State	69.2	51.6	69.1
N. J. State	75.7	73.6	77.3
Penn.	66.6	72.6	71.0
Ohio	76.4	85.6	90.6
Indiana	74.8	77.3	81.4
Illinois	76.5	76.6	81.4
Chicago	77.8	77.0	83.6
Michigan	71.3	69.5	71.7
Wis.	80.7	85.0	78.7
Minn.	73.2	80.7	79.0
Mpls. & St. P.	73.8	81.7	78.5
Iowa	74.0	72.3	79.5
Mo.	78.2	86.2	81.0
St. Louis	67.3	84.5	77.4
No. & So. Dak.	79.0	93.8	92.4
Nebr.	79.4	75.4	79.5
Kansas	78.8	82.9	79.5
Del., Md., D. C.	58.6	54.7	60.8
Va. & W. Va.	69.1	69.1	70.3
No. & So. Car.	59.8	64.3	70.9
Ga. & Fla.	71.2	82.7	76.1
Ky. & Tenn.	78.5	74.3	62.3
Ala. & Miss.	82.4	82.5	74.6
Ark., La., Tex.	58.2	82.9	59.2
Texas	64.3	86.3	85.4
Ida., Wyo., Mont.	54.3	73.9	82.1
Ariz., Utah, Nev. & N. M.	75.5	80.7	77.1
Colorado	78.3	76.2	72.7
Washington	54.3	70.0	77.6
Oregon	68.9	66.5	67.3
California	70.7	73.1	72.8
Average for entire U. S.	68.7	68.3	72.0
Warehouses reporting...	1336	1227	1322

The foregoing comparisons show consistent gains—1929 over 1928, and then 1930 over 1929—in only eleven of the States: Massachusetts, Vermont, Ohio, Indiana, Illinois, North and South Carolina, Idaho, Wyoming, Montana and Washington. The Virginias held their own in 1929 and gained in 1930. The comparisons show that three States, Kentucky and Tennessee and Colorado, lost ground steadily, reporting lower occupancy in 1929 than in 1928 and again in 1930 than in 1929.

Comparing the Feb. 28 occupancy percentages, in the accompanying Department of Commerce table, with those of Jan. 31, it is disclosed that the average recession, 2.6 per cent, for the entire country, was not reflected in nineteen of the States—Connecticut, Rhode Island, Michigan, Wisconsin, North and South Dakota, Delaware, and Maryland with the District of Columbia grouped, the

**OCCUPANCY AND TONNAGE**

Virginias, Georgia, Florida, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma, Washington and California. The largest gain was 7.7 per cent, in Alabama and Mississippi.

**Tonnage**

AS already pointed out, the percentage of volume which entered storage during February, out of total arriving tonnage, was larger in 1930 than in 1929, although the past February's percentage mark, 74.0, represented a drop of nearly 10 per cent under the level of the corresponding month in 1928. By divisions the comparisons are as follows:

	Percentage Entering Storage—February		
	1928	1929	1930
New England	75.5	82.6	71.5
Middle Atlantic	94.3	74.0	91.3
East North Central	87.8	83.8	88.5
West North Central	70.4	78.3	73.1
South Atlantic	78.5	50.2	48.8
East South Central	78.6	78.7	71.9
West South Central	72.5	80.5	70.7
Mountain	60.0	63.5	63.0
Pacific	84.2	64.6	66.0
Entire Country	83.6	71.8	74.0
Warehouses reporting...	1336	1227	1322

Comparing this past February's percentages with those recorded for January, it is found that a recession of eight-tenths of one per cent was reported. Of the nine divisions, five showed gains. The most radical drop was 10.3 per cent, in New England. The comparisons, by divisions, for the two months:

	Percentage Entering Storage—February		
	Jan.	Feb.	Change
New England	81.8	71.6	-10.3
Middle Atlantic	90.1	91.3	+ 1.2
East North Central	88.3	88.5	+ 0.2
West North Central	78.0	73.1	-4.9
South Atlantic	41.3	46.8	+ 5.5
East South Central	69.4	71.9	+ 2.5
West South Central	75.3	70.7	-4.6
Mountain	71.8	63.0	-8.8
Pacific	64.8	66.0	+ 1.2
Entire Country	74.8	74.0	-0.8
Warehouses reporting...	1321	1322	

Warehouses reporting...

### De Walt Acquires Wodack Hand Saw

The De Walt Products Corporation, Lancaster, Pa., manufacturers of electrical equipment for cutting wood, metal and stone, has acquired the Wodack electric hand saw, a pioneer in the field, and the Wodack electric combination mortiser and router.

The Wodack saw is made in four models—K, weighing 15 pounds, with cutting capacity of 2½ inches; C, with 4½-inch cutting capacity; B, with 2½-inch cutting capacity, with the addition of the beveling feature up to 60 degrees; and D, with 1 h.p. General Electric universal motor for handling 4½-inch material with the beveling feature.

### Hartford Company Stages a Display

DURING the Pageant of Progress Exposition at the State Armory in Hartford, Conn., during the week of March 15, the Hartford Despatch and Warehouse Co. was among the prominent local business firms which displayed goods and advertised services through the medium of exhibits. The accompanying illustration shows what the warehouse company did to give publicity to the household goods branch of its business.

In this booth, at the intersection of the two main aisles, mothproofing and Konating were featured, together with the services of the Allied Van Lines, Inc. Puzzles, souvenirs and literature were distributed.

Nearly 100,000 people visited the exposition, including Connecticut's governor and Hartford's mayor and their staffs.

The Hartford company's display is exhibited herewith:



# When Warehouseman May Rescind Valid Contracts

## The Law on Verbal and Written Agreements

Twenty-eighth of a Series of Legal Articles

By LEO T. PARKER  
Attorney-at-Law

**T**HREE are many instances when it is essential for the warehouseman to know whether a contract may be rescinded or cancelled without incurring liability. Also, frequently the warehouseman has occasion to determine the legal rights and liabilities of patrons who refuse to fulfill contractual obligations.

Under either circumstance knowledge of the established rules of the law enables the storage executive readily to determine the course to pursue in order to avoid incurring liability and to compel the other party to the contract to fulfill his obligations.

Inasmuch as neither contracting party is obligated to fulfill an invalid agreement, it is important to know the legal meaning of a valid contract.

Generally speaking, a valid contract is an agreement between two or more persons or firms whereby each agrees to perform a specified service or benefit to the other. Either party may enforce the agreement, and neither

party may avoid liability for failure to fulfill his obligations.

A valid contract may be in writing or by verbal agreement. The conceded distinction between a written and a verbal contract is that in Court the contents of a written contract is proven by the introduction of the written instrument; whereas competent testimony of witnesses is required to prove the intended meaning of a verbal agreement.

Either a written or verbal contract is invalid and unenforceable if one of the parties is mentally deficient, intoxicated, under influence of drugs, or a minor when the contract was completed.

Another kind of void contract is one made as a direct or indirect result of fraud, undue influence, misrepresentation, or mistake of one of the parties, or where an employee who is without proper authority makes a contract for his employer.

**T**HE principle of the law is firmly established that all parties to a valid contract are bound to fulfill the *precise* terms of the agreement. The instant one party fails in this respect he performs a legal breach, and the other party has choice of doing either of these three things:

1. He may refuse to continue on with the contract and sue the other party for damages and profits equal to his financial loss resulting from the breach; or

2. He may file suit and compel the other party to fulfill the exact terms of the agreement; or

3. The parties may enter into negotiations and make a supplementary contract.

Therefore it is quite apparent that where either a warehouseman or his customer breaches a valid contract, the other party is given a wide choice of action.

### Correspondence

**A**S a valid contract consists of an offer made by one person or firm and *unconditionally accepted* by the other, a valid and enforceable contract can be completed by correspondence.

Therefore it is important for warehousemen to know that a contract made

### Next Month

**N**EGOTIABILITY of warehouse receipts, and liabilities of warehousemen in relation thereto, will be discussed by Mr. Parker in his article in the June issue.

Duration of receipts, patrons' instructions, identification of goods, legal effect of receipts, status of negotiability, etc., will be considered, with Court decisions cited in support of the author's contentions.

by correspondence is equally as binding as other written agreements. Moreover, either party is legally entitled to sue and obtain a judgment amounting to reasonable profits and damages for breach of a valid contract made by correspondence.

For example, in *State v. Harter*, 269 Pac. 735, it was disclosed that a warehouseman wrote to a prospective customer offering to store, sort, pack and distribute merchandise at a stipulated charge payable when the goods were sold

by the customer, who accepted the offer in an answering letter.

The customer sold the goods before the warehouseman had completed the agreed sorting and packing. The customer offered to pay the warehouseman for the work he had actually completed, but would not pay the full price stipulated in contract by correspondence.

The warehouseman filed suit against the patron to recover the profits he would have earned had the customer permitted him to store, sort, pack and distribute the goods in accordance with the terms of the contract.

The lower Court held the warehouseman not entitled to the unearned profits, but the higher Court reversed this verdict, saying:

"As to the measure of damages, in a case, as here, the rule is that the damages in such case 'would consist of the profits he [warehouseman] would have made if he had been permitted to complete the work according to the contract.'

... If performance is prevented by the party who is to make such payment, the person [warehouseman] doing the things is entitled to payment as for full performance . . . or, the warehouseman is entitled in such case to 'payment as for full performance,' less the cost which would necessarily be incurred by full performance."

For this reason it is well settled that although a warehouseman may recover for another's breach the full damages sustained plus loss of profits, he cannot recover the full contract price.

Moreover the same rule is applicable with respect to leases, employment agreements, and sale contracts involving merchandise.

For illustration, in *Corporation v. Morin*, 146 Atl. 403, it was disclosed that a person contracted to purchase certain warehouse receipts from the owner of the goods on which the receipts were issued. The purchaser refused to pay for the receipts and the owner of the goods sued to recover the full contract price. However, the Court held the seller limited to recover an amount equal to the damages he sustained as a result of the purchaser's breach. This Court said:

"The cases are almost unanimous in holding that for breach of an executory contract for the sale of goods the seller cannot recover the contract price, but his remedy is limited to an action for damages for breach of the contract."

#### *Forfeiture*

THE law is equally well established that a warehouseman, who breaches a valid contract for the storage of goods is not entitled to recover for the services performed.

For instance, in a recent case it was disclosed that a warehouseman agreed to store perishable goods and maintain a predetermined temperature in the warehouse. After the goods had been in storage for several weeks the owner visited the warehouse and discovered that the warehouseman had breached the agreement. The owner ordered the goods removed from the warehouse and refused to pay the storage charges. The warehouseman filed suit to recover payment based on the period the goods were stored in his warehouse, but the Court promptly held the owner not required to pay the charges.

Also, in another case a warehouseman hired an employee for one year and contracted to pay him a specified salary, plus a bonus. The employee quit the employment before expiration of the year and sued to recover the months' salary due and the earned bonus.

However, the Court refused to hold the warehouseman liable and cited many decisions, among which was one case in which the Court had refused to hold the employer liable for eleven months' salary due an employee who had left the employment one month before expiration of the year he had contracted to work.

#### *Implied Contracts*

A CLASS of contracts, well represented in warehouse litigations, and which are neither written nor oral, are implied contracts.

An implied contract usually results from the business relation of the parties. In other words, the Courts imply obligations, although neither party has expressly agreed to perform a definite act,

## THE LAW ON CONTRACTS

if the evidence shows that the acts of one of the parties were intended to induce the other party to perform a definite service.

For example, in *Jones v. Tucker*, 84 Atl. 1012, the Court explained the law as follows:

"It is not necessary that a contract be in writing, and may be either expressed or implied. An express contract is one where the terms of the agreement are stated in so many words; and an implied contract is where the law *presumed* a promise on the part of the party benefited."

Obviously a warehouseman impliedly agrees that he will not deliver goods except to the legal holder of the warehouse receipts issued when the goods were accepted for storage. If the warehouseman breaches this implied contract he is liable to the owner for the value of the merchandise.

However, an important point of the law on this subject is that a warehouseman is not liable for conversion if he delivers goods to a member of a partnership, although the other partner retains possession of the receipts. This is true because all partners are liable for the acts of any one of the other partners.

Therefore a warehouseman may under all circumstances transact business with either partner and rely on the established law that his legal rights are the same as if all of the partners acquiesced in the promise, agreement or contract made by any one partner with respect to the partnership business.

Still another important phase of the law was recently decided by the higher Court in the case of *Gibbs v. Redman Storage Co.*, 249 Pa. 1032. Here the Court held that, where a warehouseman issues warehouse certificates, without authority from the owner of the goods, and permits the person to whom the certificates are issued to remove the goods from the warehouse, both the warehouseman and the person to whom the certificates are issued are *jointly liable to the owner of the goods*. However, the warehouseman was relieved from liability because he proved that the holder of the certificates had agreed to pay the owner for the goods which without proper authority had been removed from the warehouse.

The facts of this case are that a manufacturer consigned a carload of merchandise to a purchaser who, after receiving the bill of lading, authorized an employee to negotiate with a warehouseman with view to having the shipment stored when it arrived. The purchaser arranged over the telephone with the storage company that the shipment should be unloaded and placed in the latter's warehouse. Instead of issuing the receipts in the name of the purchaser, he issued them to the latter's employee, who afterward presented the receipts, without authority of the purchaser, and took the goods. Subsequently, when the purchaser learned that his employee, had taken the goods and disposed of them, he confronted the employee, who signed an agreement to repay his employer the value of the goods he had

misappropriated. Later the purchaser sued the warehouseman. However, the Court held the warehouseman relieved from further liability by the act of the purchaser in contracting with his employee to pay for the goods. This Court said:

"It seems reasonably clear that the contract, interpreted in the light of all the surrounding circumstances, was such an agreement as *substituted the liability of Francis [employee] as a wrongdoer for a liability based upon contract*, and, to that extent, released Francis from any liability based upon his wrongdoing. If it released Francis, the warehouseman is likewise released from any liability."

#### *Good Faith*

IRRESPECTIVE of the character of a contract, the party who files suit, alleging a breach on the part of the other, must prove he was ready and willing at all times to have fulfilled his obligations. Otherwise he cannot recover damages. The latest case on this point is *Everett B. Clark v. Jennette Bros. Co.*, 141 S. E. 542.

The facts are that a customer agreed to pay cash in advance for services. When demand was made for payment, he refused, stating he would arrange to make payment within a few days. However, he failed to do so. Soon afterward the proprietor wrote the customer and cancelled the contract. Thereupon the patron sued for damages, contending he had intended to make cash payment within a few days. However, the Court held the patron *not* entitled to recover damages, saying:

"It is well settled that a party to a contract cannot maintain an action to recover damages for its breach by the other party, without showing performance or readiness to perform his part of the contract. In the absence of such showing there can be no recovery by him on the contract."

#### *Fraud and Deceit*

PROBABLY the most common source of litigations involving cancellation of contracts arises from fraud or deceit by the party against whom suit is filed. It is long established law that good faith and fair dealings are necessary associates of a valid and enforceable contract.

For illustration, a warehouseman is at once relieved from obligations to fulfill a storage or transportation contract if the owner of goods misrepresents the character, quantity or other material facts regarding the merchandise, or the kind of service which the warehouseman is employed to perform.

However, it is important to know that a warehouseman may not without liability cancel a contract on the ground of fraud or deceit practiced by his customer, unless the testimony clearly indicates that the fraudulent act was performed before the contract was made and that the warehouseman *relied* upon the fraudulent statement.

For example, in a leading case a warehouseman cancelled a hauling contract

## HARNER JOINS "D and W"

*Distribution and Warehousing*  
May, 1930

on the contention that *after* the contract was signed his customer stated that the average weight of the loads would be 2000 pounds, when in fact the loads averaged 3500 pounds each. However, since this statement was made after the contract was signed, the Court held the warehouseman liable in damages for cancelling the contract, as an unrightful cancellation of a contract is a legal breach.

I recall another legal controversy in which a warehouseman agreed to store 100 boxes of certain merchandise at a stipulated monthly rental. The customer informed the warehouseman that the goods would occupy not more than 200 cubic feet of space. However, the boxes required almost 350 cubic feet of storage space and the warehouseman sued to recover additional compensation. It was proven, however, that the warehouseman had on numerous previous occasions stored exactly the same kind of merchandise. Therefore the Court held the contract valid and enforceable, because the warehouseman had not relied on the patron's statement that the goods would require only 200 cubic feet of storage space.

Moreover, a patron is not legally permitted to cancel a contract or refuse payment on the contention that he was mistaken as to his obligations, or that he may have obtained similar services elsewhere at lower cost.

For instance, in *Nixon & Phillips v. Grant*, 124 So. 216, the owner of merchandise agreed to pay the owner of a motor truck a stipulated sum for hauling. After the work was completed the owner of the goods refused to pay for the work, because he discovered that other haulers were transporting goods at a price considerably less than the price which he had agreed to pay. However, the Court held the owner of the merchandise liable and said:

"The contract or offer of a different price to others did not vary the express contract under which plaintiff [hauler] hauled or worked for."

### Law Not Retroactive

WHILE it is true that a valid and enforceable contract cannot be made in direct violation of a State or municipal law, yet it is well established that a law enacted *after* a contract is made,

and intended to invalidate such contracts, does not change the relations or obligations of the contracting parties.

In other words, a newly enacted law, irrespective whether it is a municipal ordinance, a State statute, or a United States law, does not change the obligations of parties who have entered into a contract *prior* to the enactment of the new statute.

For illustration, in the recent case of *India Co. v. Murphy*, 6 S. W. (2d) 141, it was disclosed that a customer made a contract by the terms of which a warehouseman agreed to perform stipulated services. After this contract was signed the Legislature enacted a law which prohibited making contracts of this nature. Nevertheless the Court promptly held the terms of the contract valid and enforceable, saying:

"A case must be tried under the law as it existed at the time the suit was filed."

The provisions of the United States Constitution, also, prohibit retroactive laws which are intended to change or alter the obligations of parties who had made valid contracts *before* passage of new laws.

## Don F. Harner Joins "Distribution and Warehousing" as Business Staff Representative on Pacific Coast

DON F. HARNER, widely known throughout public merchandise warehousing because of his position as traffic manager of the Stewart Curtis Packers, Inc., Long Beach, Cal., distributors of canned foods, has become associated with *Distribution and Warehousing* as this magazine's staff representative in the Pacific Coast territory. He is not completely relinquishing his duties with the Stewart Curtis Corporation.

A recognized authority on traffic problems, particularly with regard to pool car distribution and warehousing, Mr. Harner was born in Fulton, Mo., on Jan. 8, 1892. His maternal grandfather served in the Pennsylvania State Legislature.

After earning his way through Missouri and California schools, where he specialized in a business course, Mr. Harner's first job was as a stenographer in the Santa Fe trainmaster's office at Kansas City, in 1910. From there he went to the operating and maintenance of way department of the Missouri Pacific and the traffic department of the Southern Pacific and thus became familiar with railroad traffic and transportation conditions. In 1914 and 1915 he was credit man for the Holland Furnace Co., Holland, Mich., resigning to take charge of credits, advertising and traffic with a hat and cap manufacturing firm in Des Moines.

Early in 1922 Mr. Harner entered the traffic department of the Curtis Corporation, Long Beach, later absorbed by the Stewart Curtis Corporation. In this new work, he states, he "discovered" the Warehouse Directory published by Dis-



Don F. Harner, appointed the Pacific Coast business staff representative of DISTRIBUTION AND WAREHOUSING

tribution and Warehousing and used it religiously in working out the corporation's distribution system so successfully that in 1924 he was made manager of the traffic department. Through his method of selecting, as distribution representatives, warehouse firms advertising in *Distribution and Warehousing*, many thousands of dollars were saved for the Stewart Curtis Corporation, Mr. Harner declares.

As traffic manager of the Long Beach

organization Mr. Harner has served as chairman of the Southern California Canners Association, Los Angeles, and has been a member of the transportation committee of the Long Beach Chamber of Commerce.

### Murray Reelected "D and W" President

AT the annual meeting of the directors of Distribution and Warehousing Publications, Inc., New York, on April 8, officers were reelected as follows:

President, Andrew K. Murray, business manager of *Distribution and Warehousing*.

Vice-president, Kent B. Stiles, editor. Secretary, Harry S. Webster, Jr., assistant business manager.

Treasurer, E. P. Beebe, assistant treasurer of the Iron Age Publishing Co.

Assistant secretary and assistant treasurer, F. T. Loudenbeck.

The stockholders met earlier and elected as directors Mr. Murray, Mr. Stiles, Mr. Webster and Mr. Beebe; C. A. Pearson, chairman of the board of the United Business Publishers; Fritz J. Frank, president of the United Business Publishers, and C. A. Musselman, president of the Chilton Class Journal Co.

### Opens Plant in Hollywood, Fla.

W. H. Sciscoe, pioneer business man in Hollywood, Fla., has opened a household goods depository at Tyler and Twentieth Streets under the name of the Hollywood Storage & Warehouse Co.

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# Let's Take the Family Album Out of Storage!

*In oval, William A. Gordon, president of the Gordon Storage Warehouses, Inc., Omaha, Neb.*

*Below, the company's merchandise plant (left) and household goods depository*



Above, Mr. Gordon, lover of horses, driving one of his early teams. Right, a piece of the firm's modern van equipment

**A**DOLLAR was flipped. Nobody cared much about the outcome. But William A. Gordon won the flip, and on this doubtful sign of the gods, as it were, was built the Gordon Storage Warehouses, Inc., Omaha, Neb.

That was in 1889. William A. Gordon, then a youthful operator of an express wagon, had, with a number of fellow members of the trade, formed the Expressmen's Delivery Co. It was a cooperative office with each man taking his turn at the jobs which came in, meanwhile caring for such business as he could obtain on the outside

## Success Stories

No. 92

William A. Gordon

By Meryl Schwind



and maintaining his equipment independently.

After a time dissension arose among the expressmen and one after another withdrew, until Mr. Gordon and one other were left to carry on the Expressmen's Delivery Co. However, there was still not perfect accord, and one day Mr. Gordon settled the whole problem with the ultimatum:

"I'll flip you to see who takes the dam' business."

He won.

And that's the reason he is in the industry today.

(Concluded on page 30)

**Family Album**  
**Story of Rise**  
**of W. A. Gordon**

(Concluded from page 29)

Even before that momentous day in 1889, however, fate had taken a hand in directing young Gordon toward the warehouse business. He had started working when he was fifteen. After two years of strenuous work for a boy, his employer sent him home one day to take a week's vacation. "You don't look well," he had said. And he was not far wrong. For the next day the doctor pronounced it a case of typhoid fever, and when the fever had run its course the doctor recommended outdoor work.

So with a pair of horses and a wagon Mr. Gordon launched his express business. That was in 1887.

However, with the flip of the dollar, chance ceased to be the ruling factor in William A. Gordon's life. Left with the Expressmen's Delivery Co., he set about to make it a real business. He hasn't much to say about those early days. It was a case of the usual struggle and the gradual assumption of a place of importance in the express and transfer business, until now the Gordon Storage Warehouses, Inc., with its more than \$600,000 investment in buildings, its trucks, wagons and fine horses, is an institution to be reckoned with in the household goods and merchandise warehousing industry in the Central West.

Mr. Gordon is a product of a village and is, as he says, most of the people of Omaha are, from Iowa. His father was a stage coach driver, transporting mail each day from Winterset, Iowa, the Gordon home town, to a point forty miles distant. The son used to make the trip with his father, and before he was twelve could drive the four stage horses like a veteran.

The boy was fifteen when the family moved to Omaha. His first job was with the Omaha *Bee* in the days before the folding press. That meant that all the papers were folded by hand; and two nights a week when special editions were gotten out, young Gordon worked till midnight, walked three miles to his home, and was up again at 4 the next morning in order to get to work in time. After a year of this he became employed in an art store, and this traces his history up to his entrance into the express business.

The period from 1899 to 1905 was comparatively uneventful. In December of 1905 the Expressmen's Delivery Co. was incorporated by Mr. Gordon, as president; Mrs. Gordon, and W. W. Koller, now general manager of the Fidelity Storage & Van Co., Omaha. By this time the express concern was doing storing in a small way. Then in 1907 it took its first real step into the household goods field with the erection of a small warehouse.

Once in the storage business, patronage increased apace, and in 1910 was built the firm's first fireproof plant, a

**PERSONALITY—NEWS**

*Distribution and Warehousing*  
May, 1930

**New York Dock**  
**Net Increased**  
**in Year 1929**

THE net income of the New York Dock Co., New York, for 1929, amounted to \$807,227.70, compared with \$760,844.51 during 1928. This is an increase of \$46,383.10. The annual report was submitted to the board of directors on April 7 by Grigori Benenson, the president.

Revenues from warehousing operations in 1929 totalled \$1,349,714.62, which was an increase of \$233,306.47 over the 1928 figure. Pier revenues amounted to \$1,463,211.20, an increase of \$15,901.29. Total revenues were \$3,954,469.73, an advance of \$320,550.08. The statement includes the operations of the New York Dock Trade Facilities Corporation, a wholly-owned subsidiary.

The surplus as of date of last Dec. 31 was \$4,177,287.73, as compared with \$4,091,723.49 on Dec. 31, 1928.

Dividends of 2½ per cent on the preferred stock were paid on July 15, 1929, and Jan. 16, 1930, the latter having been declared Dec. 26, 1929.

"Changed conditions in the commodities markets, which became noticeable in the spring of 1929," says the report, "made possible more intensive use of your storage warehouse facilities. The greater activity in this department resulted in an increase in gross warehouse revenues of more than 20 per cent over those of 1928."

**Charges Fail**

The California State Railroad Commission on April 8, dismissed charges which had been brought by the Los Angeles Warehousemen's Association against thirty-seven furniture storage firms. The association had contended that the companies were operating merchandise warehousing without having obtained certificates of public convenience and necessity and without having filed schedules with the Commission.

T. M. Gannon, the Commission's examiner, after brief hearings took under advisement similar charges against three other companies.

**Carter Opens New Plant**

John W. Carter, president of the Carter Warehouse, St. Cloud, Minn., has opened the city's first licensed and bonded general merchandise storage building. The building contains 22,000 square feet of floor space.

children. Ruth is a graduate of Grinnell College and is associated with her father in the office of the company. The son, after he has finished college, plans to go into the business also.

No story of a modern business man would be complete without a reference to his prowess in golf. Mr. Gordon says his one claim to distinction in that direction is the prize which he won at the 1929 French Lick convention for the most shots.

A son and a daughter are the Gordon

H. H. Haring's

# New Business for Warehouses

**T**HE familiar sand lot with its stock of decrepit automobiles has made us familiar with trade-ins. Automobiles, intended to be used out of doors, may reasonably be stored in the open.

They are designed to withstand foul weather.

In addition to automobiles, a host of products find the trading allowance a part of selling new goods. Someone has called the trade-in "a brake on the sale of new goods," meaning, probably, that to dispose of the trade-in is the only thing to prevent yet larger sale of new articles. At any rate, it is well known that dealers quickly deplete their

## Scrap? Or Sell?

TRADE-INS fall into two classes: those to be scrapped and those to be resold.

The first class, those to be scrapped, is well represented by ice-boxes taken in part payment for automatic refrigerators, old-style pianos taken when selling new ones. For the old ice-box an allowance of \$10 to \$20 may be made—as much to get it away from the purchaser's house as for its value. So long as it stands in the kitchen, the salesman can not get a signature to the order for more modern equipment. There is a certain market for old ice-boxes; but it is so small, and the cost of reconditioning so great, that many dealers charge off the "allowance" right at the start just as they do any other expense of making the sale.

With old pianos something of the same sort happens. Living conditions have changed so that we occupy smaller and smaller quarters, and, as a matter of necessity, the thing first sacrificed is the bulkiest article of the home. This usually is the piano. Warehouses are filled with them, barely equal in value to two years' charges. Dealers have them by scores, even hundreds. They have given away all they could dispose of to charitable institutions and yet cannot find outlet for the year's trades. Yet they go on storing and accumulating used pianos.

Goods of this sort ought to be scrapped. They are so nearly worthless that they should be charged off at once and thrown away. If, however, such were the case many a warehouse would lose in revenue; for, both for ice-boxes and for pianos and for some other goods of this general sort, dealers run to the warehouses to store what they have not the courage to dump on the town's public refuse pile.

Many radios taken in trade belong to this class. Second-hand cook stoves and gas ranges, old-type vacuum sweepers, chandeliers of "the gay nineties," and slow-speed machinery—all these belong to trade-ins deserving only to be junked.

Trade-ins of the second class are deliberately taken as part payment with the thought, or the possibility, of resale. Printing houses discard presses and folding equipment for the sake of installing improved machines. They can well afford to rebuilt the plant every time invention offers a labor-saving or a greater-capacity unit, although the discarded equipment possesses years of "unused" production. Its resale to a smaller printer may give him equipment such as he could not hope to buy on the basis of new installation.

So goes the process—with all sorts of machinery and shop equipment. The telephone companies pass their stations from large city to smaller one, then to county seats and finally to country exchanges. Railroads pass their locomotives from main line to branch, then to feeder, possibly then to a logging railway or industrial switching.

All machinery must, however, be protected throughout the months of awaiting the re-sale. It cannot be stored in the open, as automobiles often are, because to do so would be utterly ruinous. Dealers in machinery store their trade-ins in odd places not otherwise valuable.

A few of the more forward-looking place them in warehouses where the cost is less than their own floor spaces.

## The "Trade-In Exchange"

**I**N city after city automobile dealers have clubbed together to manage an exchange for used cars, especially the older types which are approaching the junking stage.

## No. 54 "Trade-In Exchanges"

### New Organizations Which May Apply to Storage Industry to Care for and Finance Stocks

capital by too many trade-ins or too generous allowances in the trade.

Their profits and reserve become tied up in the inventory of used goods to such an extent that they are unable to pay for new merchandise.

The trade-in, for another matter, is the "perfect camouflage" for the price cutter; under cover of a "trading allowance" the price artist gets in his deadly work. He might lose his franchise from the manufacturer by cutting the price \$10; but no power on earth can prevent him from allowing an additional \$50 for a used article.

In 1928 there appeared in Chicago a "trade-in exchange" for machine tools, patterned after a scheme of its own and offering a new method of handling the trade-in. This is the plan:

Whenever a trade-in comes up for consideration with a maker of machine tools in that city, the sales agency telephones a central office with a description of the used machine offered in trade—serial number, style, owner's name, and present location of the machine. He inquires whether anyone has registered it as a "trade-in possibility." If not, the salesman does so, stating what has been his offer to the owner—say, \$200. This offer is then confirmed in writing.

The offer is a firm offer to buy at that price. It is more than an appraisal. It is a bid. Even if a competitor makes the sale of new machinery and acquires the trade-in, the concern first offering \$200 has obligated itself to pay that sum for the machine at the designated delivery point.

Suppose another concern makes a bid on the used machine. Perhaps the second manufacturer has a better department for trade-ins or knows a buyer seeking that sort of machine. It can accordingly offer \$250. This offer becomes effective at 11 a. m. of the second business day following. In the meantime, the fact that a higher offer has been made is communicated to the first concern, which is then permitted to raise its offer to \$250 if it wishes. But, should the first concern get the business and acquire the trade-in, it is privileged to turn the used machine over to the second concern and collect the \$250 in cash from it. This device is, of course, "the stinger." It prevents wild offers just to get the business.

The plan amounts to an auction market for used machine tools.

It works, and the sponsors are enthusiastic. Fourteen manufacturers who sell the Chicago market, six dealers of that city and two dealers from Milwaukee cooperate in the "trade-in exchange." They handle 85% of the machine tool business of the Chicago district.

There is no reason why the plan should not spread among makers of laundry machinery, road making equipment, contractors' equipment, lumber and logging tools, mill and quarry and mine equipment. With slight modifications, the plan might be used for automobiles and radios; it might be extended into household appliances.

It is found to be a quick solution of exaggerated claims by owners of used equipment. No longer can one of them boast of a "bigger offer," because in a moment the telephone brings the facts. The Chicago plan discourages untruthfulness and the buying in of junk machinery at inflated prices.

Of the 110 competitive "deals" registered at this Chicago "exchange" in the first fifteen days of January, 1930, 55 resulted in sales. In 34 of these cases there was no raising of prices; in 21 instances the bid first reported was raised. Of the 741 trade-in deals registered during the first fifteen months of operation, 631 proved to be non-competitive, 81 involved two potential sellers of new equipment, 28 involved three, and only once did four sellers compete for the business. The 22 members of the "ex-

change" have learned without any uncertainty that, hitherto, buyers had been grossly deceiving them as to "offers" and promised "allowances."

### Plan May Spread

THE Chicago plan has attracted considerable attention. Inasmuch as it involves a sort of agreement as to price, the whole plan was voluntarily submitted to the Federal Trade Commission late in 1929. If the price agreement is illegal, that fact will shortly be known. Hearings were begun in February of 1930 and it is expected that a decision by the Commission will be forthcoming sometime during the summer. If approved, it is altogether probable that other industries will adapt the plan to the peculiarities of their product.

In anticipation of this occurrence, the Chicago group has printed the code of regulations under which it operates. It offers the rules to interested industries without charge. A complete description of the history of the plan and its development, working advantages and benefits, is included in the brief filed with the Federal Trade Commission. This is available from that body (Washington, D. C.).

### Warehousing Trade-Ins

A WAREHOUSEMAN has no need of such a plan. Yet it is interesting to our industry as a possible source of new business.

The development of such exchanges makes necessary a central place for storing and exhibiting the trade-ins. It is inevitable that used equipment will accumulate with the exchange, for account of member-manufacturers, and for the proper disposal of these goods some place must be available for exhibition and demonstration.

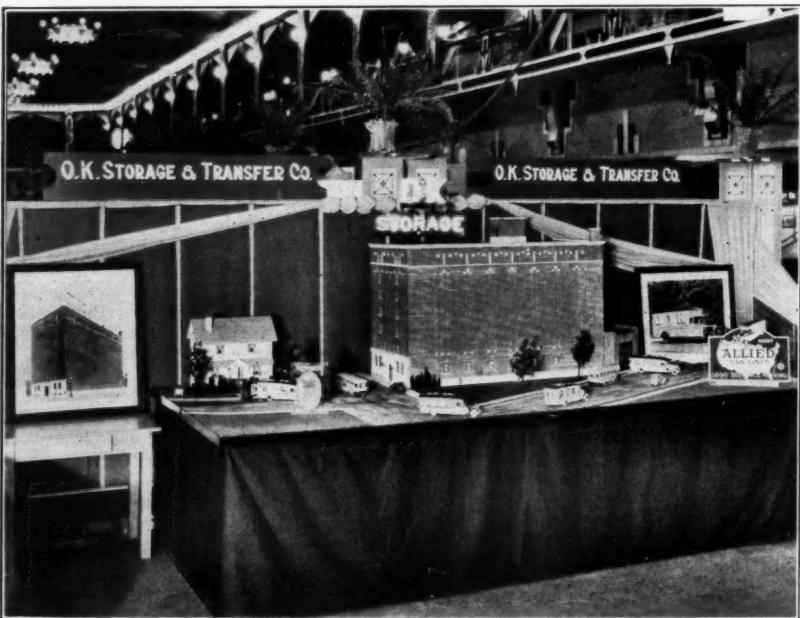
Floor space in the recognized commercial center for the industry is too costly for such a "mart" of trade-ins, and, for this reason, a properly located warehouse becomes a possible place.

Should the Federal Trade Commission place its stamp of approval on the plan, quick spread to many cities is probable.

In general, the large cities will see more of these exchanges than the smaller ones, and yet it has been suggested that a fertile field lies with the oil-well areas and with the coal-mining sections, in both of which trade-ins factor large in the sale of new equipment. Both these would demand storage space in unusual cities.

This business is not yet available. If it develops at all, it will begin with the late summer months. The possibility is well worth watching. It offers some warehouse in each city a new chance to serve the community for some one of the "exchanges" and there will be as many exchanges in each city as industries adopt the new plan of "taking the curse off second-hand deals."

## Louisville Firm's Exhibit Is Viewed By 100,000 Persons



ILLUSTRATED herewith is the exhibit of the O. K. Storage & Transfer Co., identified with the Walker Storage & Van Co., Louisville, at Louisville's Realtors' Home Show at a local armory

from Feb. 22 to March 1. It was seen by nearly 100,000 people.

The O. K. display was the first at the right of the center aisle near the door and so came to the immediate attention

of all the visitors. Drawn to a half-inch scale, it was an exact reproduction of the firm's household goods depository, van equipment and the surrounding thoroughfares with taxis, street cars and city lights.

Persons stopping at the booth were given small puzzles having blocks of wood representing various articles of furniture—and the ensuing weeks' mail brought from ten to fifteen requests daily for the puzzles, indicating to A. A. Botts, the company's manager, who arranged the exhibit, that the display gave the O. K. worthwhile publicity.

### A-B-C Exhibits

The A-B-C Fireproof Warehouse Co., Kansas City, conducted a booth at the local Better Homes Exhibition at the Convention Hall during the week of Feb. 24. Moving and storing of household goods as done by the firm was featured in an educational way.

### Callison President

The interest which H. H. Miller previously held in the Miller-Callison Storage & Transfer Co., Yakima, Wash., has been acquired by A. G. Johnston. With the reorganization, W. G. Callison, who was vice-president, becomes president and treasurer and Mr. Johnston becomes vice-president.

rehousing  
Distribution and Warehousing  
May, 1930

# TWO BITS

A Bit Here, A Bit There

Vol. X. No. 5

Gotham, May, 1930

## Effeksh of Buttermilk

We will now tell you about 1 of Gotham's city marshals who had the job of taking charge of some h.h.g. which had been legally attached. On % he was busy, the marshal sent a deputy to make an inventory of the h.h.g. Hours passed & the deputy did not return. So the marshal grabbed his gun, thinking maybe his aide had met with foul play, & started out after the deputy.

Arriving at the house, he found the deputy was there okay only he was not okay on % that he had been imbibing some buttermilk that had been in the ice box. The deputy had, however, made an honest effort to perform his duty. On a table, near which the deputy slumped inert in a chair, was the inventory. We will tell you the inventory, as follows:

"1 couch.  
"1 mahogany table.  
"1 pine buffet.  
"1 ice box, unlocked.  
"1 bottle of rye.  
"½ bottle of rye.  
"1 mahogany table with wobbly legs.  
"1 empty rye bottle.  
"1 revolving rug with losh of colorsh in it."

## 4 Building News Item

In the language of journalism there is a word called "must." When an editor marks "Must" on a story, it means arbitrarily that that story *must* be used.

Well, Ye Ed has just come across a "must" story. We would be unhappy if we did not publish it for your information. It is from the Rockford, Mich., *Register*, and we will put it down in full, as follows:

"Last week the contractors installed the glass in the window frames and now the old roof is being removed in preparation for floor laying. Soon the new addition will be available for use. It will double the warehouse floor space."

That's all there is to the *Register* story. We don't know whose warehouse it is on % that the *Register* did not say, or we would tell you. The residents of Rockford know just as much as you do about it, and we felt that you, being storagers and therefore interested in what goes on in our industry, ought to know as much about it as the residents of Rockford do, and that is why we marked "Must" on the story before sending it downstairs to the printshop to be set up so you could read it.

If the contractors had installed the glass in the floor and then removed the window frames in preparation of laying a new roof, it would have been an even better story and the contractors might have got some publicity out of it by having their names mentioned.

You never can tell what is liable to get into *Two Bits* next, can you?

## Some Argot Plagiarized

NOR can Ye Ed. tell. We are liable to print anything, in fact, on % it becomes necessary to fill the page up. So we will print the following:

Of interest to h.h.g. storagers is a "Language All Our Own" essay which we will steal outright from *Moving Craft*, the official magazine of the Movers' Assoc'n of Chicago. According to the writer of the essay, this "glossary of movers' argot" was compiled by 1 of the helpers of Tom Jackson, the Chicago storager, & was used in one of Tom's ads. The argot is:

To hump it—to carry an article on one's back.

Toe—the lower front corner of a piano.

Heel—the lower back corner of same.

Dutchman—a certain knot in a rope.

Low header—a low stairway or door.

Swinger—a load extending out behind the van.

Long shot—a move that is longer than usual.

Lugger—a man who does house-to-house moving without a van.

First floor under the roof—the attic.

Hiker—a furniture mover.

A loogan—an inexperienced helper.

A tailgate polisher—a lazy worker.

## Announcing a Prize Contest

GE. POST, the real autocrat of *Two Bits*'s office, rushed breathlessly to Ye Ed.'s cluttered-up desk the other day & vouchsafed: "Say, I got a good story for *Two Bits*. It's about Mr. Murray. (Mr. Murray is *Two Bits*'s Scotch business mgr.) "I've been watching him. Every time I take incoming mail in to him he takes all the clips off the letters & shoves them into his vest pocket. I never see him take them out again. If you could find out what he does with those clips it would make a good story."

We now inaugurate a prize contest. We offer 1/12th yr's subscription to *Two Bits* for the best theory as to what Andy Murray does with the clips which so intrigue Geo.

## Green & Jones

### Seek Justice

NO business magazine is so perfect editorially that it does not have to publish corrections now & then. Publishing corrections is in fact a gesture of good faith on the part of the editor, though to some readers it may indicate that the editor is a bit weak-minded. Personally we could mention by name a lot of *Two Bits*'s subscribers, most of them not paidup ones, who have long been unsuccessfully seeking evidence that we are a bit weak-minded, so we will give them the evidence by publishing two corrections, as follows:

1. In our previous *Two Bits* we gave gratuitous publicity to a challenge by Sid Green, sec'y of the Southern W. A., to fight any assoc'n sec'y in the U. S. for a purse of \$5,000, except Neill Banister, sec'y of the Texas assoc'n. Well, Sid writes & asks us to print a correction. Sid writes that his challenge was not to any assoc'n sec'y in the U. S. Sid writes it was to any assoc'n sec'y south of the Mason and Dixon Line. Sid writes that he is scared to fight "a husky like George Dintelmann," the sec'y of the Missouri W. A. We feel that Sid was correctly quoted in our previous *Two Bits*, & that his challenge was to *any* assoc'n sec'y in the U. S., but if he is scared to fight George Dintelmann, then all we can do about it, in justice to Sid, is to print this correction. We may be weak-minded in doing so, but we are not weak-hearted like Sid is, & Neill Banister & George Dintelmann will probably be pretty proud when they read this paragraph & note how scared Sid is of them.

2. In our *Two Bits* previous to the previous *Two Bits* we gave gratuitous publicity to the fact that Frank Jones, whom we called "the Gotham storager and cynic," had donated us with a Yuletide card at Xmas-time. Well, Frank writes & asks us to print a correction. Frank writes a denial that he is of Gotham. Frank writes that he is of Grand Rapids, Mich., which is correct, though every time we run across Frank somewhere it is never in Grand Rapids but usually in Chicago or St. Paul or Gotham or Kansas City, but anyhow we are particularly glad to print the correction, because it gives an opportunity to point out a significant fact. The significant fact is that although Frank denies he is of Gotham he does not deny that he is a cynic, which is important in our weak-minded mind.

# FROM THE LEGAL VIEWPOINT

By  
**Leo T. Parker**

## Bailment Contract

**G**ENERALLY speaking, a warehouseman is liable for the value of stored merchandise if, on demand by the owner, the warehouseman fails to deliver the goods. Under these circumstances the Courts imply that the warehouseman or his employees negligently effected the loss. Obviously, however, if the warehouseman proves that the loss did not result from his negligence, he is not liable. The same law applies with respect to goods accepted for storage with intentions of the owner to pay the warehouseman an agreed amount to sell them, because both agreements are bailment contracts.

For instance, in *Hartford Co. v. Tabor*, 21 S. W. (2d) 207, an owner delivered to a warehouseman certain merchandise, including a 100-hp. motor, with the agreement that the warehouseman should sell the goods and retain 10 per cent commission in payment for his services.

The owner permitted the warehouseman to send the motor to a repair shop, where it disappeared. Also, a large quantity of the goods left at the warehouse was stolen. The owner sued to recover from the warehouseman the value of the goods stolen from the warehouse and the value of the motor which disappeared from the repair shop. The warehouseman contended that the contract was not one of bailment, but only of agency, and for that reason recovery could not be sustained, without proof of negligence on his part, resulting in loss of the property.

However, the Court held the warehouseman liable for the goods stolen from the warehouse, saying:

"As we construe the contract, it was one of bailment. . . . In bailment cases like this, where the property is placed in the exclusive possession of the bailee [warehouseman] and is lost or injured while in his exclusive possession, the ground of recovery is negligence. . . . all plaintiff [owner] is required to prove, to make a *prima facie* case, is to prove the contract of bailment, the delivery of the property to defendant under the contract, and, in case of loss of the property, the failure of defendant to account for it on demand. The burden is then shifted to defendant [warehouseman] to show that the loss of the property was without his fault."

As the owner had permitted the warehouseman to send the motor to the repair shop, the Court refused to hold the warehouseman liable for its loss, and said:

"Our conclusion is that the evidence does not support the finding of the Court as to the 100-hp. motor, valued at \$981, for the reason that, when this motor passed from the actual exclusive possession of defendant [warehouseman] to the possession of the parties in charge of the repair shop *with the consent of the owner* and was lost while in their possession, the plaintiff did not under those circumstances make a *prima facie* case by mere proof of failure of defendant to return the motor on demand,

## Your Legal Problems

**M**R. PARKER answers legal questions on warehousing, transfer and automotive affairs.

**T**here is no charge for this service.

**W**rite us your problems. Publication of inquiries and replies gives worth-while information to you and to your fellows in business.

and, since there was no proof that any negligence of defendant had anything to do with the loss of this motor, the plaintiff failed in its proof as to it."

## Railroad Liability

**I**NASMUCH as some warehousemen are careless in promptly accepting delivery from common carriers of shipped merchandise, the recent case of *Southwest v. Missouri*, 18 S. W. (2d) 807, presents unusually valuable legal information.

In this case it was shown that bill of lading contained the usual notification:

"For loss, damage or delay caused by fire occurring after forty-eight hours after notice of the arrival of the property at destination. . . . has been duly sent or given, the carrier's liability shall be that of warehouseman only, except in case of negligence of the carrier or party in possession."

A consignment of goods arrived at its destination and the consignee failed to accept delivery within the forty-eight-hour period. The car containing the goods was soon afterward destroyed, and the warehouseman sued the carrier for the value of the merchandise. He ar-

gued that the carrier's liability as an insurer against loss or damage to shipments remained unchanged notwithstanding the notification on the bill of lading. However, the Court held the carrier not liable for the loss, saying:

"The rule seems to be established that, where a consignee fails to remove his freight from the railway company within three days, or within the time named in the bill of lading, after he has been notified of its arrival, the railway company thereafter holds same only as a warehouseman. . . . We think, under the provision of the contract as construed by the Courts in the cited cases, it was not necessary for the railway company, in order to change its relationship from that of common carrier to that of a warehouseman, to unload the goods and store them either in its own or in a public warehouse."

## Freight Rates

**I**T is important to know that unless established freight rates actually are discriminatory the Courts will not interfere or order a change in such rates. For illustration, in *Houston Chamber of Commerce v. Railroad Commission of Texas*, 19 S. W. (2d) 583, the Court explained the following law:

"When rates are so made, they are the rates of the Commission, upon whose initiative they may be made being immaterial. The Commission is charged by statute with the duty of making just, reasonable, and non-discriminatory rates, and such rates, when made, are conclusively presumed to be just, reasonable, and non-discriminatory until attacked in a direct proceeding authorized by statute for that purpose. . . . In rate making, the functions of the Commission are legislative in character and its orders prospective in operation. The Commission cannot set aside, annul, or grant relief from the effect of any rate it may make. It may modify or repeal, and so extend relief prospectively; but, in so far as its orders already made are concerned, the Courts alone can give relief."

## Leases

**C**ONTRARY to the opinion of the majority of persons, there is an important legal distinction between the meaning of the terms "renewal" and "extension" in warehouse lease contracts.

For example, in *Maryland Corporation v. Manayunk Co.*, 146 Atl. 805, a proprietor signed a lease contract which

provided that the duration of the lease was for six years with the option to renew it for an additional term of eight years, and with the further privilege to renew it another ten years at the expiration of the eight-year period.

Litigation developed over the legal meaning of the contract, and the Court held this lease contract to be actually a lease of twenty-four years, if the lessee failed to terminate the lease at the end of six years. The Court said:

"Under the ordinary form of lease there is a distinction between a stipulation to renew the lease for an additional term and a stipulation to extend it for an additional term, since the former requires the making of a new lease and the latter does not. . . . The question of whether the use of the word 'renewal' is to be taken to require the execution of a new contract, or whether it is to be construed as meaning an extension of the original term, is dependent upon the intention of the parties, to be gathered from the language of the lease, the purposes to be accomplished by its execution, and the surrounding circumstances at the time of its making. Considering the language in the lease now before us . . . we are led to the conclusion that it was the intention of the parties to execute a lease for the period of twenty-four years, which period might be lessened at the pleasure of the lessee to a six or fourteen-year period by his giving the specified notice to the lessor of his intention to restrict its operation to one or the other of those periods."

### **Deluge from Sewer**

UNDER ordinary circumstances a municipality is liable for any damage caused by an overflowing sewer, a flood caused by the bursting of a water main, or the like, providing the overflow resulted from negligence by the city officials or its employees. However, the city is not liable if the circumstances and the testimony fail to indicate negligence on the part of the city employees.

For instance, in *Aycock v. City of Decatur*, 122 So. 664, it was disclosed that a municipality constructed a concrete street. Each side of the street was also improved with concrete curb and gutter so that water falling or concentrating upon the street would not be absorbed, but would flow along the street. One day a heavy rain caused water to overflow in the basement of a warehouse, resulting in \$15,000 damages to the goods stored therein.

The owner sued the city for damages, contending that its officials were negligent in failing to provide an efficient sewerage system. It is important to know that the lower Court held the city liable, but the higher Court reversed this verdict, and said:

"The Court is of the opinion that, since the municipality has no control over the ordinary flow of surface water, its concentration at the place from which it is alleged to have overflowed, unless

## **LEGAL**

brought about by negligence on the part of the municipality in providing for its flow in an artificial channel, would not impose liability. . . . Defendant [city] was not under duty to provide an artificial sewer, but only, having undertaken to do so, to provide a sewer fit and sufficient for the purpose."

### **Rented Vehicles**

GENERALLY speaking, when an owner of motor trucks rents a truck and its driver for a stipulated rental per day, or based on the amount hauled, the hirer is liable for any damage effected by the driver.

For illustration, in *Maher v. Donk Bros. Co.*, 20 S. W. (2d) 888, it was disclosed that a dealer in merchandise hired motor trucks for which he paid rental based on a stipulated sum for each ton hauled per mile. One day the dealer phoned the truck owner for two vehicles. The owner sent the trucks, with their drivers, and the dealer instructed the drivers where to make the deliveries. One of the drivers unloaded the goods on the sidewalk against the law and in violation to a city ordinance. The purchaser put a lighted lantern on the goods but an automobile driver failed to see the light and ran into the pile, causing him to lose control of his machine, which collided with another car, seriously injuring its occupant.

It is interesting to observe that the Court held the dealer liable, thus relieving the owner of the trucks from responsibility, saying:

"The rule that one who employs a servant to do his work is answerable to strangers for the negligent acts or omissions of the servant committed in the course of the service, is elementary. But, however, clear as the rule may be, its application to the varied affairs of life is not always easy, as the facts which place a given case within or without the rule cannot always be ascertained to a certainty. When the attempt is made to impose upon the master the liability for the consequences of the servant's neglect, it sometimes becomes necessary to ascertain who was the master at the very time of the negligent act or omission. . . . The true test in determining who the master is, in a case of this character, is not who actually did control the actions and movements of the servant in doing the work, but who had the right to control."

### **Compensation**

THE law is well established that an injured employee is entitled to compensation under the workmen's compensation laws *only* when the injury arises from the scope of the employment. However it is not necessary for an injury to occur while the employee is *actually* working for the warehouseman, to result in the latter's liability. This is true because the employee is within the scope of his employment when he is performing any act by authority of the warehouseman.

For example, in *Ohmen v. Adams Bros.*, 146 Atl. 825, it was disclosed that it was customary for an employee to leave his home in the mornings and go where his employer directed him to report for work. One night, before leaving his work, the employee received his employer's permission to stop at a voting booth on his way to work the following morning. When traveling from the voting place to his work in his own automobile the following morning the employee was injured in a collision. He sued his employer to recover compensation.

It is interesting to note that the Court held that the injury arose from the scope of the employment, thus entitling the employee to compensation for the injury, saying:

"We have held that an injury to an employee is said to arise in the course of his employment at a place where he may reasonably be, and while he is fulfilling the duties of his employment, or engaged in doing something incidental to it, or something which he is permitted by the employer to do for their mutual convenience. . . . An injury arises out of an employment when it occurs in the course of the employment and is the result of a risk involved in the employment or incident to it, or to the conditions under which it is required to be performed. The injury is thus a natural or necessary consequence or incident of the employment or of the conditions under which it is carried on."

### **Service and Route**

IN all legal controversies involving the right of common carrier operators of motor trucks to increase service or extend a route the controlling consideration of the Courts is whether the increase or extension is necessary in view of the present service being rendered by other common carriers who operate on the same route.

For instance, in *McClure v. Public Utilities Commission of Ohio*, 169 N. E. 560, a truck owner, who operated as a common carrier from Columbus to Xenia, applied to the State Commission for a permit to extend his route and increase his equipment so that he could operate from Columbus to Cincinnati, an extension of approximately 75 miles. The operator desired to pick up freight in all cities and make door-to-door deliveries in the cities. In rendering its decision the Court explained the motor-truck operator's rights, as follows:

"So far as through service between Columbus and Cincinnati is concerned, the present facilities for through service between these points are entirely adequate. . . . It appears from the testimony that Norwood, about five miles distant from the heart of Cincinnati, has a number of manufacturing plants requiring speedy and more adequate service than is now rendered by present facilities. . . . So far as the city of Norwood is concerned, therefore, we are inclined to the view that public convenience and necessity require that

additional facilities should be provided by the line of the applicant which passes through Norwood. . . . If extension of the route is granted by the Public Utilities Commission to the applicant, it should be granted with restrictions, and among others a restriction preventing pick-up or delivery, in either city, of freight consigned to or from one city to the other."

### Collision Liability

**A**LTHOUGH it is good practice for the drivers of motor trucks which are stopped at night time on highways, to keep the vehicle well illuminated, it is important to know that the owner of a truck is not liable in damages for a collision by the driver of another car if the party colliding with the truck was driving at an excessive rate of speed or was otherwise negligent.

For illustration, in *Billingsley v. McCormick Transfer Co.*, 228 N. W. 424, the driver of an automobile sued a warehouseman for injuries sustained when he collided with a moving van. The injured driver testified that the driver of the van stopped it in the night time on one of the main highways without taking precaution to make the truck visible with lights in order to warn other automobiles approaching the truck and in order that other vehicles driving on the highway might know of the presence of the truck and might be able to pass the truck without colliding with it.

The lower Court held the warehouseman liable, but the higher Court reversed this verdict and explained the established law, as follows:

"We cannot say that stopping on the highway at night time, because of necessity, after drawing to the extreme right side of the road, is in itself considered an act of such negligence as makes one absolutely liable for damages in case of collision and prevents the question of contributory negligence being raised. . . . The driver of an automobile . . . may . . . within reason . . . stop and stand without being held negligent and liable for resulting accident. . . . It is commonplace that even if the driver of the van were negligent, yet if the plaintiff, by the exercise of ordinary care, could have avoided the accident, notwithstanding the negligence of the driver of the van, and did not exercise such care, he cannot recover. . . . No one can be presumed to wilfully and carelessly crash into even an unlighted machine, and then say he is entitled to damages because the other party was negligent as a matter of law, even though the violation of the statutory requirement may be negligence. . . . One cannot recover damages for an injury to the commission of which he has directly contributed."

### Street Damage

**A**LTHOUGH a corporation owns a majority of the stock in another corporation, that does not result in the former corporation being liable for dam-

aging acts performed by the other. This is true because stockholders ordinarily are not personally liable for acts of a corporation's officers or employees.

For example, in *Hatfield Co. v. Paintsville*, 20 S. W. (2d) 713, a city filed suit against the Hatfield corporation for damage to certain streets as a result of the excessive speed at which heavily loaded trucks had been driven over the streets. The Hatfield company defended the suit on proof that it had hired a trucking corporation to haul the material on a contract price.

The city argued that the trucking corporation was organized to protect the Hatfield company, and that the latter owned 48 per cent of the stock in the trucking corporation. The lower Court held the Hatfield company liable, but the higher Court reversed this verdict, indicating the trucking corporation's liability, saying:

"The evidence wholly fails to show that the truck company was any dummy fraudulently or otherwise organized to shield the appellant. . . . The company owned but 48 per cent of the stock of the truck company. . . . The weight of the loads alone would not, in view of the evidence in this case, have caused the damage complained of, for much heavier loads had been transported over these streets without material damage to them. It was the excessive rate of speed, coupled with the weight of the load, which pounded the streets into the condition described. . . . It is therefore plain that whatever damage was done was caused by the truck company's agents and not by those of the Hatfield corporation. The truck company was paid a unit price by the Hatfield corporation for hauling this material."

### Yearly Leases

**L**Egal Editor, *Distribution and Warehousing*: We have a number of rooms that we rent out on yearly leases, said leases having a clause reading as follows:

"Unless not less than sixty (60) days prior to the date set for the expiration of this lease either party shall give to the other written notice of its intention not to renew the same, it is agreed that this lease shall be deemed renewed and shall continue thereafter from year to year upon the same terms and conditions as herein provided, including this provision for renewal, until terminated at the end of any yearly period by either party upon sixty (60) days prior written notice."

Will you kindly advise us as to where we stand in such a case? Can we hold the goods for the payment that will be due on April 1; also the two subsequent payments? You will understand that according to the lease, goods can be held for rent.

If there are no goods in the room, is there any way we can enforce payment of the rent as per the automatically renewed lease?

If the lessee is bankrupt, does that fact cancel his lease or do we have to

enter it with the trustee or receiver, as a claim? Or, in the case of a settlement with creditors, do we have to enter the lease as a claim and accept whatever settlement is agreed upon?—*Fur Merchants Cold Storage Co., Inc.*

Answer: According to a leading case (145 N. Y. S. 1004) you are entitled to hold the lessee responsible for the rent for the full year, if he does not notify you within 60 days prior to expiration of the lease that he cancels it. If he holds over one day or more after expiration of the year you can collect for the full year although he notifies you that he intends to cancel the lease. (135 N. Y. S. 633).

Under these conditions you can hold the goods to secure payment of the full year rent. You can collect although no goods are in the room if your lease contract specifies lease on the room and not storage of goods therein. I believe you could enter a bankrupt's account with the receiver, or accept the agreed settlement with creditors, unless the New York State laws give you an absolute lien for storage under the exact circumstances presented. I find no New York cases on this particular point.

### Stop Order

**L**Egal Editor, *Distribution and Warehousing*: A customer stored a grand piano. A piano company wrote us and placed a stop order. Ten months later the piano company wrote asking us to release piano, refusing, however, to pay storage, labor or cartage charge. We offered to release piano on filing security company's bond, paying storage, labor and cartage charges. Piano company then threatened replevin proceedings.

Since above correspondence with piano company, customer has made a payment to us on account and wishes to withdraw piano on settling account in full. Are we within the law if we deliver the piano to customer and notify piano company accordingly?—*The Harlem Despatch Storage Warehouse Co.*

Answer: In the recent case of *Manhattan Warehouse Co.*, 224 N. Y. S. 71, it was disclosed that a warehouseman accepted two articles for storage. Both articles were mortgaged. The mortgage on one of the articles was recorded, but not on the other.

The holder of the mortgage notified the warehouseman that he intended to foreclose both of the mortgages. This Court held the warehouseman entitled to full payment of the charges on the property on which the mortgage was not recorded, and payment for storage from the date the notice was received on the other goods of which the mortgage was recorded.

Under these circumstances, the piano company should be liable for the storage charges.

No doubt the piano company is willing to cancel the stop order, and you should obtain its consent, or request the customer to have the piano company write you cancelling the stop order.

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## Mold

**L**Egal EDITOR, *Distribution and Warehousing*: In June we received a carload of special cocoanut oil in wood barrels. All the instructions that we had were that we store them in a cool place. From June to September 15 we stored them in our basement on wood strips, and on September 15 we moved the barrels to our second floor for storage, where it is perfectly dry, but we did not put any strips under the barrels. We now have ten barrels left on hand and upon making an inspection we find that the bottoms of the barrels show mold. Are we liable?—*Merchants Transfer & Storage Co.*

Answer: In a recent case (140 S. E. 121), the Court said:

"One who places his goods in cold storage necessarily relies upon the expert knowledge of the cold storeroom. The charge for keeping perishable products in cold storage is much higher than that made for the storage of non-perishable goods. One has the right to expect—not preservation, for that is impossible beyond a certain period—but a prevention of decay for a reasonable period, depending upon the circumstances of each particular case. Without this expectation the storage of perishable products would be but a venture."

However, as this cocoanut oil was not ordered by the owner to be placed in cold storage, but merely a "cool" place, I do not believe you are liable if the testimony shows that your second floor is cool. However, if the owner believed you intended to store oil in the basement, or ordered you to do so and you moved it without his consent, you are liable.

## Taxation of Goods

**L**Egal EDITOR, *Distribution and Warehousing*: A few of our customers desire to do pool car business and are anxious to place stocks in our warehouse for distribution. Is a tax collectable in this State from customers outside the State?—*Southern Warehousing, Inc.*

Answer: Avoidance of "doing business" is accomplished if the seller sends a salesman directly from one State into another to solicit orders and these orders are shipped interstate. A State is privileged to tax goods shipped from another State to a warehouse for distribution purposes. Sometimes a distributing corporation is organized to reduce the taxes.

In a few States, Wisconsin, for illustration, it was held that a company which manufactures goods within the State is not subject to taxes for doing business in a different city. However, a company that ships goods into the State of Wisconsin is liable for payment of taxes. See 147 S. E. 289.

## Prior Lien

**L**Egal EDITOR, *Distribution and Warehousing*: We received a lot of household furnishings on storage. Later

## LEGAL

a retail furniture dealer notified us that they had a lien on the goods for the purchase price. We informed them that the charges on this account were \$200.

We would like to know whether or not a warehouseman, in a case of this kind, has a prior lien. It has always been our understanding that the warehouseman had first lien on goods stored, unless he was informed, before accepting such goods on storage, that there was a recorded prior lien against such goods.—*White Storage & Warehouse Co.*

Answer: A warehouseman has a prior lien on stored goods, unless another prior lien is *properly recorded*. Under the latter circumstances, the warehouseman may still retain a prior lien if the holder of the recorded lien consented to storage of the goods, either in writing or impliedly. However, the warehouseman is bound to search the city, county, and State records to know whether a prior lien exists.

## Selling for Charges

**L**Egal EDITOR, *Distribution and Warehousing*: Our customer deposited goods with us on a general account. Storage, cartage charges, and other payments were made from time to time. The customer became involved in a law suit. We have a portion of his goods and have held the same as security for our account. Can we sell them?—*Goodall Storage Co.*

Answer: Generally speaking, a warehouseman automatically relinquishes his right to a lien for transportation, or other charges, where he willingly delivers to the owner the merchandise on which a lien is claimed. Ordinarily, re-possession of the goods by the warehouseman does not revive the lien.

For illustration, in *Machinery & Storage Co. v. Gueguen*, 260 Pac. 669, it was disclosed that a storage company agreed to transport and store goods. The merchandise was delivered to its owner by the warehouseman and the owner refused to pay the warehouseman's bill. The warehouseman then took possession of the goods and advertised the same for sale. The owner of the goods filed suit to prevent the warehouseman from selling the goods. The Court held the warehouseman *not* entitled to sell the repossessed goods to recover the transportation charges.

Also, see the following important cases on this subject: 255 Pac. 548; 20 F. (2d) 74.

## Check Stopped

**L**Egal EDITOR, *Distribution and Warehousing*: We did a moving job amounting to \$17, which was paid by check. At the time the check was given to our driver, the bank being closed, we were unable to cash it that day. The check was deposited the next morning between nine and ten o'clock. Some days later we received notice from the bank that the check had been ordered stopped. Upon investigation, the bank admits that

the party in question issued stoppage of check by 'phone, which was after the time of my deposit with the teller. This party is, also, a depositor in the same bank. Advise me as to the proper procedure to recover collection of this bill.—*The F. J. Hawkins Transfer & Storage Co.*

Answer: A bank depositor may stop payment on a check at any time before the same is paid by the bank. Obviously, as this is a legal account, you will have no difficulty in filing suit and recovering a judgment for the amount of the bill. First, however, I advise you to notify your customer that you demand immediate settlement, and that unless you receive it within a specified time that you intend to file suit. If your customer refuses to make the payment, the **only** way you can collect the account is by legal procedure.

## Predecessor's Acts

**L**Egal EDITOR, *Distribution and Warehousing*: In 1905 X began the operation of a warehouse for the storage of household goods and operated it until his death in 1923. During 1905 a Mrs. B placed her goods in his care and continued to pay storage charges thereon until 1917, at which time she discontinued, and the warehouseman sold the goods. Nothing further was heard from her until 1927. During 1926 the administrator of the deceased warehouseman's estate sold at public auction the equipment of the warehouse and such open accounts as were certified. Mrs. B demanded her goods in 1927 and, because the purchasing warehouseman cannot deliver, she demands heavy damages. Can the purchaser of a storage warehouse be held liable for acts of conversion of his predecessor?—*Woods Warehouse Co.*

Answer: The purchasing warehouseman is not liable, unless he expressly or impliedly agreed to assume the responsibilities of the original warehouseman, or unless the State law requires a person who buys a warehouse, and its accounts, to take the obligations of the original warehouseman. Even under these circumstances the purchaser would not be liable if the goods were sold in accordance with the laws of your State.

## Chapin Assails

### Oregon Statute

**T**HE Portland Van & Storage Co., of which R. A. Chapin, president of the Oregon State Warehousemen's Association, is president, has filed a motion in Circuit Court at Salem, Ore., seeking a restraining order against H. E. Hoss, Secretary of State, to prevent him or his agents and the State traffic police from attempting to collect certain license fees imposed on "contract hauler" motor trucks by the State Legislature last year.

The motion states that the State police harass and threaten to arrest drivers not complying with the statute, notwithstanding pendency of a Circuit Court action attacking the validity of the law.

# MOTOR FREIGHT DEVELOPMENTS

**F**OR the busy executive of a warehousing business who is keen to keep abreast of the times there are several important new things to think about in the field of motor freight. Developments are following one another at a rapid pace, and all have a distinct bearing on the cost and opportunities of handling the hauling requirements of any warehouse business, regardless of its size. There are many advancements being made on the manufacturers' side of the industry, and some of these will be discussed in this department, which is conducted

By Philip L. Sniffin

## THIS MONTH

### *Some Suggestions for Reducing Warehouse Trucking Costs*

**A**N important feature of one company's motor delivery system is a completely equipped service truck, representing an investment of approximately \$3,000. This machine is in charge of an experienced mechanic. It is fully equipped with tools, extra parts, etc., so that it may handle any road troubles which the company's vehicles may encounter.

The firm has figured out that in answering only ten emergency calls from its trucks in one year the depreciation and interest on the investment will be taken care of; that is, it would cost an amount covering these items to hire others to do the work. When it is considered that during a recent rainy period this service truck pulled seven trucks out of difficulties in one week, the wisdom of purchasing the service unit becomes apparent.

"Some idea of the equipment we carry on our service truck may be gained from the fact that we have never

taken more than fifteen minutes to get any one of our trucks under way after we arrived on the scene," said an officer of the company recently.

The mechanic is responsible for the running conditions of the vehicle. Drivers are given specific instructions that they are to attempt no repairs of any kind. When a truck breaks down in service the driver telephones for the mechanic, and the mechanic leaves immediately to make the repair.

His knowledge of each vehicle and his ability to detect the symptoms enable him to locate and remedy the trouble at once.

The plan returns a worthwhile saving in the driver's time and in the time of equipment, as well as in the total yearly cost of repair work. Furthermore it makes for more dependable service to the customers—a factor of great importance.

**T**HREE seems to be a growing feeling among those who superintend the operations of truck fleets that a system should eliminate or prolong the usual overhaul expenses. This is well expressed by one operator who says:

"We feel that a weekly or monthly inspection is far preferable and less expensive than any other system of handling maintenance. Our opinion is to the effect that the necessity for regular and complete annual overhaul may be practically done away with by having regular inspections whereby small defects will make their appearance and be quickly remedied at little or no expense. Thus is eliminated the necessity for buying brand new parts where tightening of a bolt or something similar may take care of adjustments found necessary."

Another operator says:

"We try to keep our trucks on the road at all times, as we have found by typing them up in our garage for a complete overhaul, our work is delayed to such an extent that it is better for us to make small repairs from time to time.

"Our trucks are inspected weekly and monthly and in most cases we have found that all they require to keep them going is to regrind the valves about

once a year, and a few minor adjustments.

"We have found in many instances that by making a small repair the truck will be placed in first-class running order for another eight or ten months' service before it requires any attention whatever."

If a fleet operator is equipped to maintain a rigid periodic inspection system, then it will be possible to dispense with annual overhauls and their resultant loss of time in dismantling and reassembling the vehicles. Advocates of the "stitch-in-time" policy claim that the periodic overhaul is unsound in that it is based on an even wear of all parts. As there is no uniform depreciation of wearing out of these parts, the annual overhaul will not produce the economical benefits for which it is intended.

Each time a motor truck is taken out of service for repair work, the investment in the equipment becomes idle for that period, the service is interrupted, and an expense is incurred for the actual work to be done.

Much can be done toward reducing motor truck expense by studying and experimenting with the different systems or methods which may be used. One concern, for example, in the writer's

recent observation, after experimenting with many maintenance systems for its twelve trucks, has finally arrived at a plan which has saved more than \$5,000 in the repair parts account alone across a two-year period.

### *Cutting Costs*

**T**HE basis of this particular system is that each truck in the fleet is assigned to the repair shop one day each month for complete inspection and to have all repairs made. If after inspection it is found that the repairs required will take more than one day, the truck is assigned to the repair shop until the repairs are complete. The records show, however, that the extra time is seldom required.

The following is the routine for the inspection and repair:

The truck is first given a test run by the chief mechanic. This is to locate trouble which might show up when the vehicle is in motion, but which might slip by if the car were merely looked over. It is next given a thorough inspection by the chief mechanic. Notations are made. The detail work, such as carbon cleaning, valve grinding, greasing and oiling, tightening up of

bolts, and minor adjustments, is assigned to the junior mechanics. The major repairs and adjustments are handled by the chief mechanic.

Under this system it is possible to keep a fleet in the very "pink" of condition with a minimum of effort and expense; and, with this monthly inspection and close contact with each truck, the company is able to get the maximum wear out of the parts with the minimum of breakage before they are replaced.

### This Pays Also

ANOTHER policy of truck up-keep, one which has brought good results for a concern using a large fleet of trucks, holds to this rigid standing of efficiency and appearance:

1. The drivers are given a time to do the lubricating and washing. This allows them to show a pride in the appearance of their trucks and an opportunity to inspect and report any possible features. A member of the repair force makes any further necessary inspection.

2. After every 5000 miles of operation each truck is sent to the repair shop for minor repairs, such as carbon removing, valve grinding, change of lubrication in the gearset, rear axle, necessary tire changes, relining brakes, inspection of wheel-bearing adjustments, and inspection of general lubrication.

3. Each truck is completely gone over after every 40,000 miles of operation. The unit system of overhauling is used. Besides replacing the engine, gearset, rear axle and steering column with units already overhauled, the chassis is tightened and reinforced wherever weak conditions are noticed.

4. The tires, paint, unloading equipment, as well as the mechanical conditions, are constantly under the inspection of the maintenance superintendent.

The majority of trucks in this fleet are used on short haul work only. There are periods during the year when the trucks are not constantly needed. During these convenient periods the major repairs and painting are attended to. On rush days only urgent repairs are cared for.

### An Eye to Upkeep

ONE way to keep in touch with the up-keep history of each truck is to place a good-sized blackboard in the garage or main office. Any officer of the company can thus have spear before him, at a glance, the up-to-date status of every truck owned.

Rule the board permanently with white paint in the manner of a diary journal, with columns reading downward for the number and make of truck. Reading across, you will then have a square for each day of the month, and symbols may be placed in these spaces.

Use a set of symbols such as these: R, repairs required; RA, repairs required because of accident; P, paint shop; OH, overhaul; ID, idle; and (x), in regular service. Take a photograph of this board at the end of each month, as a service record.

## MOTOR FREIGHT



Here is the newest van unit of the Jackson Storage & Van Co., Chicago. The drop frame semi-trailer, of the new round end bus type, was built by the Fruehauf Trailer Co., Detroit. Of 1400 cu. ft. capacity, it has at the front end a separate compartment, with door, for fragile household articles. Double doors on the curb-side permit side loading. The outside panels are of Plymet, painted with Duco in two shades of green, a red arrow, and gold and silver leaf lettering. The interior is lined with plywood, varnished. The tractor is a new 6-cylinder heavy-duty White—Model 58-S.

This plan provides a valuable check on the truck service. If a vehicle has been in the repair shop or paint shop or idle for a long period of time, the fact will be brought to the attention of the persons responsible. The monthly photograph also helps to compare service records of the different trucks in the interest of future economies.

### Maintenance Control

TO summarize briefly this important subject of vehicle up-keep, it may be said that every fleet, whether it comprises two or twenty vehicles, must have a maintenance policy. The owner must establish some system of up-keep. This means that provisions should be made at regular intervals for inspections, adjustments, lubrication and minor repairs. Each time a truck is taken out of service for repair work the investment in the equipment becomes idle during the period the service is interrupted, and a repair bill must be paid. The right maintenance policy will, by minimizing this, result in a big difference in the monthly cost of a delivery department.

There are as many methods of truck maintenance as there are fleets of trucks. No two operators adopt exactly the same policy. There are some operators who do not believe in doing anything until something happens to a vehicle, saying, "Let it run until it needs repairs and then do all the work at once." These are usually the ones who do not maintain their own repair shops and do not feel that it is necessary to take the trucks's time and to pay the cost of regular inspection by an outside mechanic. They neglect to consider that, while the cumulative effect of troubles in their early stages seems unimportant, the time and cost of lengthy overhauls that will result are inevitable.

### Progressive Plan

ONE concern, for example, recently proved in actual figures that, by certain methods, saving of 47 per cent had been effected in repair costs.

The maintenance policy by which this was accomplished is in no way difficult. The garage superintendent who origi-

nated the methods refers to his system as "progressive up-keep. Figures kept by this department and tabulated at the end of each fiscal year show that the total average repair cost for the fleet, which was 4.7 cents per mile three years ago, was reduced to 2.4 per mile at the last computation.

Three expert mechanics are employed who are entirely responsible for the upkeep of the machines. These mechanics make regular inspections and work in progressive order, going from one vehicle to the other on a schedule which has been laid out in advance and followed consistently. Under this method the repairs are caught in their early stages and often a minor adjustment made by the mechanic at the time of inspection saves a heavy repair bill.

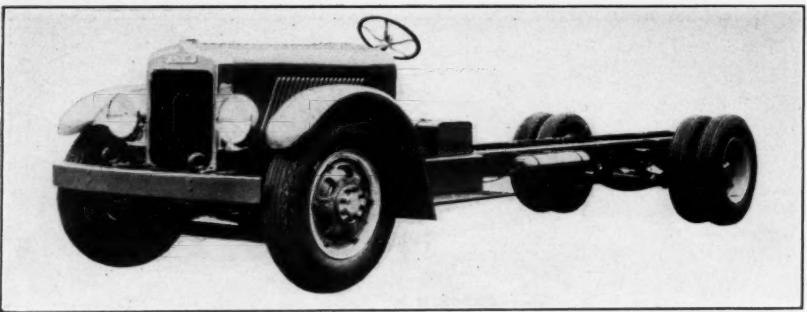
Each mechanic is provided with forms on which he makes a complete report of the work he has done, and these are turned in daily to the garage superintendent. In this way the maintenance problem is reduced to a simple and effective system and the garage superintendent knows at all times the exact condition of every car in the fleet.

### Other Ideas

IT is not uncommon for the repair bills to be in direct ratio to the number of different persons who drive the same truck. Much money can be saved by proper handling, and that is why the beginner and extra driver are apt to damage the engine and chassis within a short time. Driver "turnover" should be minimized as far as possible and care should be taken not to let an inexperienced driver have charge of a machine.

It is always somewhat of a question as to whether drivers should be permitted to make their own repairs; whether they should be chosen for their mechanical training or other qualifications. The question of remuneration also comes in. Is it more economical to pay greater wages to drivers who are trained in the mechanical care of trucks or to employ one or more experts to make repairs and to forbid drivers to touch the mechanism of their machines?

Many concerns take the stand that



New Relay model elsewhere here described—Series 100, a 6-cylinder, 5-ton which is claimed to set a new "low" in heavy-duty trucks. From top of loaded frame to ground is only 28½ inches.

the drivers will cause more damage than they would do good if they were to tinker with even the most simple parts of the trucks when anything goes wrong. It is found also that when a driver is given permission to attempt the simple things, he will go beyond this sooner or later and feel capable of remedying some defect that really might require the knowledge of an expert.

It is a good idea to employ one skilled mechanic who is solely responsible for the running conditions of the trucks. Drivers can then be given specific instructions that they are to attempt no repairs of any kind. The mechanic is often provided with a motorcycle, with side car, such as in the plan discussed previously in this article. In this side car is a complete set of tools and all equipment needed to make repairs on the road. When a truck breaks down in service the driver telephones for the mechanic and the mechanic leaves immediately to make the repair.

It is important that no truck should be allowed to run with a loose part, a part liable to break, a part needing adjustment or replacement. This means that a daily inspection should be made or the driver consulted as to any irregularities of running; in this way any trouble is caught immediately and before there is time for it to develop into something more serious.

Inspection on the garage floor with the engine idling is not enough, and that is why the driver should be consulted. A knock may have developed in the engine, in a universal joint, or in the rear axle of countershaft. Perhaps the knock would not cause interference with the car's operation the next day; but if it is not investigated and stopped, that knock may mean the breakage of a gear, a connecting rod, or some other vital truck part.

All of these things represent a great deal and they may be avoided if the owner will take these steps of precaution.

#### **"Cushions" Are Held Solids in Illinois**

So-called "cushion" tires must be classified under the Illinois motor vehicle law as "solid rubber" tires, as distinguished from pneumatic tires, ac-

cording to an opinion by Oscar E. Carlstrom, the State's attorney general.

Under this ruling, motor freight trucks equipped with cushion tires may not travel over the Illinois highways in excess of twelve miles an hour. Trucks equipped with pneumatics may travel twenty-five miles an hour.

#### **Recent Models**

**AUTOCAR COMPANY**, Ardmore, Pa.: Three sizes of big 6-wheeler chassis have been added, in wheelbase lengths of 24' 2¾", 25' 7¾" and 27' 9¾". They are powered with the Autocar "blue streak" big-six 101-horsepower motor, driving through all four rear wheels. Westinghouse air-operated brakes act on all six wheels simultaneously. "The load distribution," it is statd, "is such as to avoid the objection of possible road damage which is reflected in the road-restriction legislation of some States."

**International Harvester Co.**, Chicago: Two models have been added—A-5, rated at 3 tons, and A-4, at 2 tons. Both have 6-cylinder engines and are equipped with pneumatics, and features include a 5-speed transmission, spiral-bevel-gear final drive, semi-floating rear axle and 4-wheel mechanical brakes. The 3-ton has 34 x 7-inch pneumatic tires, duals being fitted at the rear, while the 2-ton has 32 x 6-inch tires, duals at the rear. On the 3-ton four wheelbases are available—156, 170, 190 and 210 inches. On the 2-ton there are three—145, 170 and 185 inches.

**Relay Motors Corporation**, Lima, Ohio: A 5-ton is announced of unusually low frame construction—28½ inches from top of loaded frame to ground, said to be a new "low" in heavy-duty trucks. "The advantages of this low construction are of more apparent value," the company states, "in bus, van and tractor operation, where low body height saves time in loading and where speed and performance are of prime importance." Specifications include 6-cylinder motor, air brakes and 7-bearing crankshaft, together with a multiple disk type clutch and a transmission with 5 speeds forward and 2 speeds in reverse. The brakes operate on all four wheels—internal expanding. This vehicle, Series 100, has 24-inch base balloon tires, 9-inch size

in front and 9.75 duals in the rear.

**Stewart Motor Corporation**, Buffalo: Production has been started on a new design of 5-ton truck, known as Model 31X, powered with a 6-cylinder engine, having wheelbases in lengths of 165 and 150 inches, a chassis weight of 8400 pounds, and a chassis price of \$4,990. The transmission affords 8 forward speeds and 2 reverse. The clutch is of the multiple-disk dry type. Four-wheel mechanical service brakes are fitted. Cast-steel wheels with eight hollow spokes each are standard equipment and are fitted with 36 x 6-inch solid rubber tires, single in front and dual at the rear. Pneumatics (38 x 9 front and 40 x 10 dual rear) are supplied at extra cost. Options are given on wheel and tire equipment; Budd wheels can be had and also the new truck-type balloon tires.

#### **A Rail Subsidiary Denied the Right to Operate Trucks**

**THE Northern Pacific Transport Co.**, a subsidiary of the Northern Pacific Railway Co., has been by the Minnesota Railroad and Warehouse Commission denied the right to operate motor trucks to speed up the rail carrier's freight service.

In a decision at St. Paul on March 25 the Commission held that, in the absence of affirmative proof by the petitioner that there was public need for the service, the Commission did not feel authorized to grant a certificate of public convenience and necessity.

The subsidiary proposed to change the present method of handling less-than-carload freight by enabling the railroad to eliminate some stops at intermediate stations.

"For example," the petition recited, "the Northern Pacific Railway Co. will probably assemble small less-than-carload shipments for three or four adjacent stations in a box car. Instead of stopping the whole freight train, as is done at the present time, the railway company proposes to move the freight train past certain stations without stopping and without unloading less-than-carload freight for those particular stations.

"The car referred to containing less-than-carload freight for several stations will be set out, or parked, or spotted, at one of the stations for which a less-than-carload shipment is contained in the box car referred to. The station at which such a car is set out may be referred to as a concentration point, so far as the proposed truck operation is concerned.

"On the completion of the setting out, or parking, or spotting of the car referred to by the Northern Pacific Railway Company, your petitioner will meet the car with one of its trucks and remove from it the less-than-carload freight for the various stations and deliver the same to the Northern Pacific Railway Company stations.

"So far as the practical effect is concerned, the only difference in the contem-

plated operation and that now in vogue will be that the freight will be locked up in the Northern Pacific Railway station by the crew operating the motor truck of your petitioner rather than by the train crew of the Northern Pacific Railway Company, as is the case at the present time. . . .

"The so-called concentration point and the route traveled by the truck operator will vary, dependent upon the nature of the shipment to the destination point. . . . In short, your petitioner does not propose to operate between fixed termini or over a regular route, or upon a regular schedule."

The Northern Pacific Transport Co., following the Commission's ruling, filed a petition for rehearing and reargument.

### **Idaho's Gas Tax Held Deductible**

The Idaho gasoline tax is deductible by the consumer, the Income Tax Unit of the Bureau of Internal Revenue, Washington, D. C., has held. If in filing the Federal income return the tax is added to or made a part of the business expense of the consumer, however, it cannot be separately deducted by him as a tax.

### **New York Central Seeks Certificate**

AN application for a certificate of convenience and necessity to operate motor freight trucks between Cleveland, Toledo and Danbury has been filed with the Ohio Public Utilities Commission by the New York Central Railroad.

The application states that the railroad is now supplementing its rail service with trucking service in intrastate and interstate commerce, handling less-than-carload freight by trucks wherever possible.

As already reported in *Distribution and Warehousing*, the Ohio Supreme Court recently sustained a ruling by the Ohio P. U. C. that the New York Central, in order to do its trucking, must be a duly certified company instead of having its hauling done under contract with a trucking company.

In view of the pending application with the Commission, the railroad has asked the Commission to suspend the earlier order requiring the railroad to discontinue motor operations through the trucking company.

### **Moline Group Has Warehouse Plans**

A group of Moline and Davenport business men headed by R. G. Cundy, president of the Moline Manufacturing Co., are planning to convert one of Moline's four-story buildings, at present used partly for manufacturing purposes, to a modern public merchandise warehouse. The structure, fireproof and sprinkler-equipped, adjoins railroad facilities.

## **MOTOR FREIGHT**

### **Graham's N. F. W. A. Talk Now Available in 48-Page Pamphlet**

THE Relay Motors Corporation, Lima, Ohio, has issued in pamphlet form a treatise of definite value and interest to all operators of motor trucks. It is titled "Trucking Costs—and How to Lower Them," and its contents, profusely illustrated with photographs and charts, are enlarged from an address made by L. A. Graham, vice-president of the Relay organization, at the Biloxi, Miss., convention of the National Furniture Warehousemen's Association last January. Copies may be had, in reasonable quantity, without charge by addressing the Relay company at Lima.

"This is probably the first time that specific records of truck operation have been compiled in a single book and analyzed for the benefit of others engaged in truck transportation," says the company's announcement of publication of the text.

"The charts show, for example, what the average cost of haulage is for various loads hauled various miles per day; illustrations showing what becomes of the 25c. spent per average mile of truck hauling; charts showing how the cost of tires varies with the mileage; a chart to show how depreciation is figured; actual records from the experience of large trucking companies which give the figures for the various items; forms used by leading transportation companies; and other interesting data.

"Perhaps the most novel part of the book is the use of a 25c. piece to represent the cost per mile of average truck haulage, this being carried as a 'theme' throughout the text and the illustrations."

This study by Mr. Graham should be in the hands of every motor truck operator and fleet superintendent. No discussion of this particular subject has created more interest at any of the N. F. W. A. conventions than the Relay corporation vice-president's at Biloxi.

### **Senate May Pass the Bus Regulation Bill at Present Session**

DISTRIBUTION AND WAREHOUSING'S Washington Bureau,  
1163 National Press Building.

WITH the understanding that the action obligated no one to support the measure in its present form, the Senate Committee on Interstate Commerce has reported the Parker bus bill to the Senate. The steering committee of the Senate has placed the measure on the list of bills to be considered before adjournment. This action very much improves the prospect for disposing of bus regulation during this session of Congress, although there will be considerable debate on the measure before the Senate gets to a final vote.

The comparatively brief consideration given this bill by the Senate committee resulted in several rather important changes in the measure as it had passed the House.

In the "grandfather" clause the effective date was changed from March to April 1, 1930. This means that the person or corporation operating as a common carrier by motor bus in interstate traffic on April 1, 1930, will be entitled to a certificate of public convenience and necessity, providing the carrier meets the other requirements of the law.

The most important change made by the Senate committee involves a provision guarding against monopoly. It specifically provides that the regulatory commission or joint board cannot decline to issue a certificate to an applicant on the ground that the route over which it is proposed to operate already is served by one bus line. The new language in the Senate bill is as follows:

"If, upon consideration of any application for a certificate of public convenience and necessity, it appears that there is no adequate service by a common carrier by motor vehicle and/or no actual and adequate competition by common carrier by motor vehicle, in whole or in part, upon the route and/or between the fixed termini covered by the proposed operations, then the absence of such service or competition shall be sufficient evidence that the public convenience and necessity will be served by the whole or that part of the proposed operations with respect to which such absence of service or competition exists; and a certificate shall be issued accordingly if the applicant is qualified to comply with the requirements, rules, and regulations of the commission for such service."

"Perhaps the most novel part of the section competition shall not be deemed to be actual unless there is competition in good faith between at least two common carriers by motor vehicle that are not affiliated, directly or indirectly, through stock ownership or control, or in any other manner."

The Senate Committee also tightened up the merger clause. In place of the House language, the Senate Committee inserted the following: "No consolidation, merger, or acquisition of control shall be approved under this section if it involves the consolidation or merger of two or more carriers by railroad or the acquisition of control of any carrier by railroad by another such carrier; nor shall any consolidation, merger, or acquisition of control be approved under this section if one or more of the corporations involved is engaged, directly or indirectly, in the transportation of persons by railroad."

Whether an effort will be made in the Senate to extend the bill to motor trucks remains to be seen. There is considerable sentiment in the Senate favorable to this action and the question will undoubtedly come in for debate. As the bill now stands it applies only to motor buses, the House having decided that the motor truck problem was too intricate and too experimental at this time to be made the subject of regulatory legislation.

The Senate committee, of which Senator James Couzens of Michigan is chairman, held no hearings on the bill. It took the views that the House hear-

ings had developed all the pertinent facts and that further hearings would be a waste of time. The committee members were not in accord on all provisions of the bill when it voted to report the measure to the Senate. The action means that the opposition will be free to oppose the bill or seek to amend it, when it is considered on the floor of the Senate.

Quite generally the opinion prevails here that eventually motor trucks operated in interstate commerce will come under Federal regulation. At present, however, according to those familiar with the motor trucking industry, a very large percentage of motor truck traffic moves within the State where it originates and is subject to State authorities. The reluctance to apply Federal regulation to the motor truck line at this time rests in part on the belief that such regulation would tend to retard developments in this field of transportation.

—Horace H. Herr.

Support of the Parker measure as amended during the House debate is expressed in a letter sent to Senate Committee Chairman Couzens by the National Automobile Chamber of Commerce.

"The House committee and the House," the letter says in part, "have very wisely in our judgment stricken the question of regulation of the motor truck as an agency in interstate commerce from the terms of this measure."

"No facts have yet been introduced to show any public requirement for anything more than such regulation as is necessary to the protection of life, limb and property upon the public highways, which is a State police power."

Larue Brown of the National Automobile Chamber of Commerce told the commerce committee of the American Bar Association, at a public hearing in New York in April, that big organizations engaged in interstate commerce would never consent to the placing of interstate trucking under the jurisdiction of the Interstate Commerce Commission.

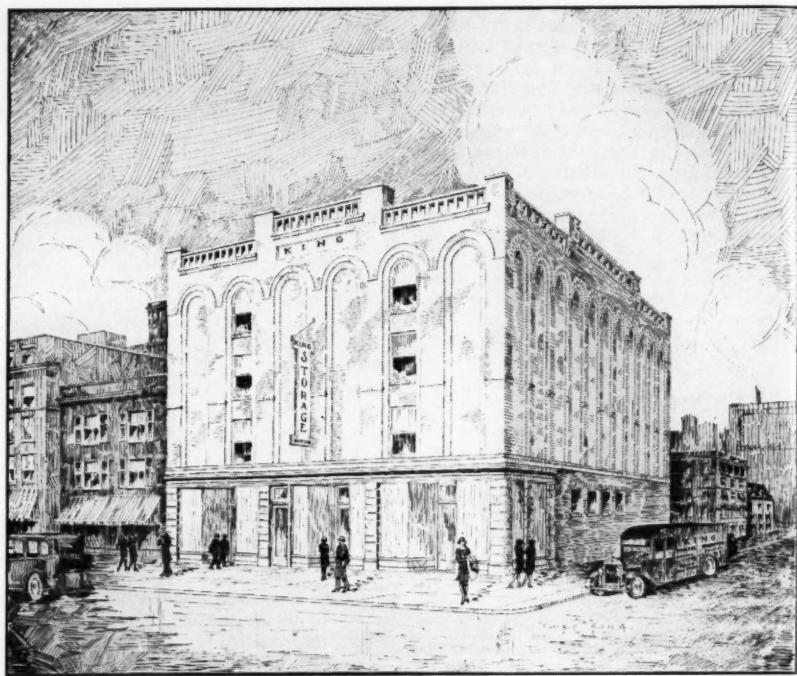
Fixing of rates for this class of carriers would necessitate their being run on schedules, Mr. Brown pointed out, whereas they are hired by shippers for special movements where economy was not the prime consideration.

"The corporations are prepared to pay extra for this service," the speaker said. "They have been paying additional for it, and rather than submit to terms of an interstate motor vehicle bill which would bring all interstate trucking under the jurisdiction of the I. C. C. they will operate their own trucks so as to put themselves outside the provisions of any such proposed law."

His conclusions were based, he declared, on a nation-wide survey conducted by the Chamber among business interests.

**When you ship goods to a fellow warehouseman—use the 1930 Warehouse Directory.**

## King Storage Warehouse Co. Opens New Depository for Household Goods in Syracuse, N. Y.



THE King Storage Warehouse, Inc., Syracuse, N. Y., has purchased the four-story and basement building, illustrated herewith, at North Salina and Catawba Streets and is operating it as its North Side branch for storage of household goods. Of complete mill type slow-burning construction with five-inch floors, the structure has a 60-foot frontage and is 90 ft. deep and stands on the city's main north-and-south thoroughfare, at the edge of a residential district but on the approach to the rapidly growing industrial section.

The lay-out provides for an ample driving court from Lock Alley, which crosses the back end of the lot and allows for a fireproof heated garage, 20 by 58 feet, 38 feet of which is a part of the main building. There is space for expansion of garage and warehouse when needs require. A natural slope puts the basement at ground level in the rear, affording unloading facilities for three vans at one time, one of them through an unloading door direct from the garage onto a raised concrete platform, so that loads received for packing are unloaded directly into the packing room located in the basement.

The building has two freight elevators. One, a combination lift for passengers, runs from the vault storage and fumigation department in the basement, up through the office to serve all floors. The other, at the rear, is used for either household goods loose or for the King steel containers packed—from truck to storage floor.

The warehouse is protected by auto-

matic sprinkler systems. The elevator shafts have been fireproofed and all vault and packing room construction is of fireproof material. As the building was originally constructed as a candy factory, each floor was well lighted with many large windows; these have been bricked up, making fireproof walls on all sides and eliminating exposure. The slag roof was removed and a Johns-Manville combination built-up roof substituted.

The first floor frontage is laid out into three stores. Two of these have been leased and the third is maintained as the branch office, with attractive lobby, customers' counter, etc. In the rear of the center store have been arranged a heated piano room, racks for upholstered furniture, and heated access space.

In the basement has been constructed a fireproof and burglar-proof vault for storage of valuables and clothing. This, in combination with the fumigation vault, forms a lobby for display of facilities to prospective customers. In the basement also is a fireproof vault for packing material, the superintendent's office, a receiving room, a packing room, and space for coal storage and temporary storage.

As storage of household goods in the King steel containers forms a large part of the company's business, the space on the third and fourth floors is laid out for handling goods in the containers. The second floor is divided into three large rooms separated by fire-resisting walls and laid out in spaces for open storage.

# WITH THE ASSOCIATIONS

HERE is presented in tabloid form the Association news that is of *general interest* to the industry as a whole. No effort is made to present complete reports of all Association meetings; the dissemination of such information is logically the work of the officers and the committee chairmen. What is presented here is in effect a cross-section review of the major activities so that Association members may be kept advised as to what "the other fellow" elsewhere in the country is thinking and doing. When annual or semi-annual meetings are held, more extended reports will occasionally be published.

## Groundwork Now Being Laid Among State and Local Organizations for Federal Trade Practice Conference of Merchandise Warehousing

**O**N behalf of the merchandise division of the American Warehousemen's Association, Chester B. Carruth, Chicago, the division's statistician and cost accountant, is personally appearing at meetings of most of the industry's trade organizations which have merchandise member companies in the interest of having this branch of warehousing adopt Federal Trade Commission practice rules.

The Connecticut Warehousemen's Association, after hearing Mr. Carruth discuss the project at a meeting in New Haven on April 10, adopted unanimously the following resolution:

"Resolved, that this association is in favor of a Federal Trade Practice Conference for the public merchandise warehousing industry, and that it is agreeable to support a movement for such conference, whether that movement is initiated by the American Warehousemen's Association, merchandise division, or by another association, or by individuals."

This is representative of action which is being taken, one by one, by the various associations whose meetings Mr. Carruth has been addressing. Favorable support was obtained by him first from the Illinois Association of Merchandise Warehousemen, the Central Warehousemen's Association of Illinois, and the Wisconsin Warehousemen's Association, while he received word by mail that the Minnesota Warehousemen's Association's members generally approved the idea after discussion at a meeting.

Mr. Carruth then took a swing through the East. On April 9 he attended a meeting of the Massachusetts Warehousemen's Association at Boston, and talked at the Connecticut meeting at New Haven on the following night.

### Research Indicates General Ignorance About Warehousing

**P**RELIMINARY to possible adoption of plans for a local newspaper advertising campaign to inform the metropolitan public about household goods warehousing, a survey among 492 families has been completed by Daniel Starch & Staff, a commercial research and advertising organization, working in cooperation with the sales expansion committee, headed by Ernest H. Milligan, of the New York Furniture Warehousemen's Association. Tentative results of this inquiry, in character unprecedented in the industry's history, were presented at the

New York association's meeting on April 14. A final report containing facts and figures, the members were told, would be distributed to them later in the month, as a basis for them to decide whether they care to approve of the proposed cooperative advertising effort.

The survey brought some surprising results as indicated by charts and percentages to be made public in due time. The families interviewed reside in Manhattan, the Bronx, Brooklyn, Queens and Nassau and Westchester Counties and represent earned incomes ranging from \$2,000 to \$10,000 a year.

The inquiry indicated that more families were being moved by "corner men" than by warehousemen; that friends'

The 14th found him in Baltimore, where he outlined the plans to a group of the members of the Maryland Warehousemen's Association. On the 15th he addressed a meeting of the Warehousemen's Association of the Port of New York, and on the 16th he conferred with members of the Pennsylvania State Warehousemen's Association at Philadelphia. The 18th Mr. Carruth spent in Washington, interviewing M. Markham Flannery, in charge of the Federal Trade Practice Conferences. He then turned to the Central West with plans to attend the annual meeting of the Missouri Warehousemen's Association at St. Joseph on the 25th and 26th, and it was his purpose to take the project up with other of the industry's organizations throughout the country.

All this groundwork is essential before the step which is to be taken eventually, either by the A. W. A. or from somewhere within the industry, to bring the merchandise warehouse industry within the purview of the Federal Trade Commission. When the time comes for the industry to take the initiative at Washington, united support by the country's associations, as shown by the resolutions now being adopted, will probably have been obtained—convincing evidence during negotiations with the Federal Trade Commission that the desire on the part of the industry is virtually unanimous.

Mr. Carruth's effort is in pursuance of a resolution which the merchandise division of the A. W. A. adopted at the Biloxi convention in January, authorizing the division's executive committee either to initiate such a conference or to support any conference application which might be made by an individual.

recommendations comprised the chief reason why customers patronized warehouses; that more than half the people moved at least once a year; that few people stored anything except furniture in warehouses; that the majority of those storing in warehouses had found the services satisfactory; that the majority did not store goods in basements; that the majority knew nothing about mothproofing services or the rug and drapery cleaning services of warehouses, and that the cost of moving was the chief deterrent against warehouse patronage. All these and other indicated results will be shown in more detail in the June issue of *Distribution and Warehousing*.



*Head table at the recent banquet of the Detroit Van Owners' Association. Left to right, William P. Bradley, a Detroit councilman, who is president of the Cadillac Storage Co., Detroit; John L. Lovett, of the Michigan Manufacturers' Association; James D. Dunn, Detroit, treasurer of the N. F. W. A.; James L. McAuliff, president of the Movers Association of Chicago; J. J. Gedert, president of the Detroit V.O.A.; Lewis H. Tanner, Detroit; A. N. Morris (standing), executive secretary of the Detroit V.O.A.; Arthur A. Leonard, president of the Detroit F.W.A.*

The association adopted two resolutions offered by John G. Neeser as chairman of the legislative committee. One opposed all unnecessary regulation of business by the State and the other placed the organization on record against Public Service Commission regulation of motor truck transportation.

—K. B. S.

Harold L. Brown, president of the Detroit Harbor Terminals, Inc., Detroit, was chosen vice-president, and Fred J. Baier, proprietor of the Baier Transfer & Storage Co., Detroit, treasurer. Don C. Jordan, Detroit, the executive secretary, was reappointed for another year.

—Philip N. O'Hara.

### **Shaffer Is Elected Kansans' President**

THE Kansas Warehouse and Transfermen's Association held its third annual meeting at the Hotel Lassen in Wichita on March 21-22 and elected officers and directors as follows:

President, A. B. Shaffer, manager Crystal Ice & Storage Co., Independence.

Household goods vice-president, L. R. Bailey, president L. R. Bailey Transfer & Storage Co., Emporia.

Merchandise vice-president, A. G. Barnett, owner Hutchinson Bonded Warehouse, Hutchinson.

Cold storage vice-president, R. H. Short, vice-president Kansas Ice & Storage Co., Salina.

Secretary, Alva E. Smith, proprietor Merchants Transfer & Storage Co., Wichita.

Treasurer, L. D. Ferguson, owner Merchants Transfer & Storage Co., Hutchinson.

Directors, E. F. Dean, treasurer Topeka; G. L. Sterling, president Merchants Transfer & Storage Co., Inc., Pittsburgh; M. E. Cuykendall, manager Brokers Office & Warehouse Co., Wichita.

Advisory board members, the two past presidents—U. O. Bryan, president Bryan-Southwest Transfer & Storage Co., Wichita, and Earl W. Jones, vice-president United Warehouse Co., Wichita.

### **Speck President of Michigan W. A.**

AT the recent annual meeting of the Michigan Warehousemen's Association, held at Detroit, O. E. Speck, secretary, treasurer and operating executive of the Service Warehouses, Inc., Detroit, was elected president.

### **Dragoun Is New Head of Iowa Association**

AT the recent annual meeting of the Iowa Warehousemen's Association, held in Des Moines, officers and directors were elected as follows:

President, Charles E. Dargoun, president Dargoun Transfer & Storage Co., Ames.

Vice-president, George H. Harmer, president Calder's Van & Storage Co., Cedar Rapids.

Secretary-treasurer, D. R. Lynch, president Lynch Transfer & Storage Co., Cedar Rapids.

Directors, F. A. Haw, Daggett-Haw Transfer & Storage Co., Ottumwa; Frank M. Shores, owner Shores Fuel & Transfer Co., Waterloo; R. A. Ford, president Ford Bros. Van & Storage Co., Council Bluffs; H. D. Liddle, secretary Merchants Transfer & Storage Co., Des Moines.

### **Weis Elected in Rochester**

JOHN F. WEIS, president of the Rochester Storage Warehouses, Inc., Rochester, N. Y., and who last year served as secretary of Truckmen's & Warehousemen's Association of Rochester, was elected president at the organization's recent annual meeting.

Arthur S. Blanchard, president of the Blanchard Storage Co., Inc., was chosen honorary president. He was the retiring president of the association.

George P. Hoffman was elected vice-president. Frank S. Gottry, president of the Sam Gottry Carting Co., was chosen treasurer. Succeeding Mr. Weis as secretary is Charles J. Costich, secretary of B. G. Costich & Son, Inc. George Batterson was chosen sergeant-at-arms.

### **Detroit Van Owners Will Fight Taxation**

WITH a view to opposing increased taxation of trucks, including moving vans, as contemplated by the next Michigan Legislature, John L. Lovett, of the Michigan Manufacturers' Association, urged the members of the Detroit Van Owners' Association, at the recent first annual banquet of the organization at the Detroit Leland Hotel in Detroit, to survey their equipment and become active in the primary elections in order to be assured fair treatment. Other speakers advocated that a fixed rate be adopted by all local movers and that combined effort be made to put dishonest operators out of business.

Telling the members that they amounted to nothing politically unless they were organized, Mr. Lovett warned them that the next Legislature would attempt to enact what would be virtually confiscatory taxation of trucks. Farmers and small town men predominated in the Legislature, he said, and had no sympathy with vans because they considered that the vehicles tore up the roads. Suggesting an equipment survey, he said:

"Find out what you can stand in the way of taxation and what you could agree to in case of a compromise. Have your figures ready at the primaries and see what the candidates will do for you. Don't wait until legislation has been introduced. Remember that votes count more with legislators than the merits of any particular question."

Lewis H. Tanner introduced a resolution, which was adopted, protesting against increased taxation and calling for a committee to make the proposed survey.

—Philip N. O'Hara.

### **Southern's Activities**

THE Southern Warehousemen's Association is staging a membership campaign, from April 15 to Oct. 15, through its executive secretary, Sydney Green, Atlanta. Cash prizes are offered to present members adding the largest numbers of new ones to the roll.

Announcement is made that the directors by a majority vote have decided to discontinue the holding of semi-annual conventions. Holding of State meetings will be encouraged.

Meanwhile the association's president, J. L. Wilkinson, Charlotte, N. C., is giving a series of Tuesday evening radio talks, over Station WBT, Charlotte, on storage and Allied Van Lines service.

George C. Harris, Birmingham, has been elected A. V. L. southeastern regional vice-president, succeeding George Sebold, Atlanta, resigned.

The Leonard Brothers Storage Co., Miami, Fla., has joined the Southern W. A.

**When you ship goods to a fellow warehouseman—use the 1930 Warehouse Directory.**

### Northern Division of California V. & S. A.

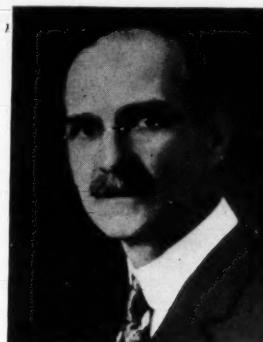
THE northern division of the California Van & Storage Association, until recently known as the Pacific Coast Furniture Warehousemen's Association, discussed advertising, chose a secretary and announced committees for the year, at its March meeting, held at the Athens Athletic Club in Oakland. The secretary, reelected, is Harvey B. Lyon, secretary of the Lyon Moving & Storage Co., Inc., Oakland.

Herbert B. Holt, San Francisco, the association's president, discussing advertising, said that that affecting moving should be concentrated in the dull months of December to March inclusive; storage, in the best months for that branch, April to July inclusive; shipping, August to November inclusive; fumigating and mothproofing, February to May inclusive.

The general committees of the association, as announced by Mr. Holt, have as their chairmen the following:

Ruel Neiger, auditing; Reed Bekins, San Francisco, laws and legislation; J. R. Zimmerman, Long Beach, uniform methods; C. A. Buck, Burlingame, program; E. B. Gould, San Diego, long distance and inter-city removals; Rodney S. Sprigg, Los Angeles, advertising and publicity; David Bole, membership, and Henry M. Burgeson, Los Angeles, 1931 convention.

—Clarence Ebey.



T. E. Witters, again chosen president of Maryland W.A.

### Maryland Body Elects Witters

THE Maryland Warehousemen's Association at a meeting in Baltimore on April 14 elected officers as follows:

President, Thomas E. Witters, president Baltimore Fidelity Warehouse Co., Baltimore.

Vice-president, A. L. Delcher, secretary Belt's Wharf Warehouses, Inc., Baltimore.

Secretary, Wilson L. Haines, secretary, Terminal Warehouse Company of Baltimore City.

Treasurer, Norman C. Settle, treasurer McCormick Warehouse Co., Inc., Baltimore.

### Chattanooga Group May Erect Terminal

A GROUP of business men and bankers in Chattanooga, Tenn., has under consideration plans for erecting a distributing warehouse, to include cold storage space, at a cost of from \$750,000 to \$1,250,000.

"The matter was presented to the business leaders and bankers by a well-known engineering and architectural firm which is said to have designed several buildings of this type in other cities," according to the Chattanooga News.

"The structure will be adequate to care for the needs of a large number of distributing houses, manufacturing plants and such business that would wish to utilize Chattanooga as a breaking up point to distribute products in the Chattanooga territory.

"It is the plan of those interested in the project to erect a warehouse and utilize it in such a manner, it is understood. Out-of-town industries could ship carload lots or train-load lots of their products to Chattanooga. They would be received and handled at the proposed warehouse and distributed by trucks and other carrier methods to Chattanooga territory.

"Chattanooga is badly in need of such a warehouse, according to local business men. The lack of proper warehouse facilities has been a serious hindrance to

locating large distributing houses in this city. Facilities here at the present are not adequate to the handling of large shipments and supplies, and the proposed new warehouse is expected to fill this need.

"It is understood that it will be located on a site easily accessible to both motor and train transportation facilities."

### New Camden Firm

Harry Beach, formerly one of the owners of the Troth Trucking & Warehouse Co., Camden, N. J., has severed his connection with the Troth interests and has established his own storage business in a modern fireproof warehouse, with 30,000 sq. ft. of floor space, at Second Street and Kaighn Avenue. He has been in the trucking and warehouse business since the age of 17, when he started as a driver for the Troth firm.

### Warehouse Bombed

A bomb believed by the police to have been hurled from a passing automobile ripped through the front door of the household goods warehouse of the Knickerbocker Storage Co. at 7724 Detroit Avenue, Cleveland, on April 9, and shattered seven plate glass windows, causing damage estimated at \$700. No one was hurt.

This was the fourth such bombing in Cleveland since the first of the year. The attacks are ascribed by the police to labor troubles.

### Cooperative Selling Planned by I.F.W.A.

THE Illinois Furniture Warehousemen's Association has under way a movement to establish a cooperative sales room and auction house for its members. The executives sponsoring the idea propose an independent selling corporation the stock of which would be owned by the association's members.

The committee handling the situation has recommended to the association that a cash capital of \$20,000 would be able to establish the venture providing that 75 per cent of all goods sold for charges by the members be handled through the cooperative selling organization. The backers foresee these advantages:

1. Better patronage of furniture sales because of one location that would be generally known, through advertising, to the public.

2. Higher prices for the goods, both because of better patronage and better display.

3. More favorable psychological effect on the mind of the public, as there would be eliminated any prevailing impression that their effects stored in public warehouses might be sold.

4. Removal of confusing details in connection with sales.

5. Substantial reduction in the percentage selling cost through the wholesale method of selling as compared with often inefficient individual selling.

—W. D. Leet.

### Cornwall, Jr., Is Fatally Injured

James H. Cornwall, Jr., son of the president of the Jennings-Cornwall Warehouse Co., Salt Lake City, Utah, died on March 22 from injuries received in a motor car crash on the highway between Palo Alto and Burlingame, Cal., while on his way to attend a basketball game. The boy was 15 years old and a sophomore in a California high school. The automobile in which he and a companion were riding collided with a truck. The companion was killed.

### Kortsch Expands

The Paul Kortsch Storage Co., Inc., Milwaukee, has completed construction of a fireproof warehouse, adjoining its Maryland Avenue building, in the East Side shopping district, and has added several trucks to its motor fleet. The first floor of the new structure will be occupied by stores and shops.

### Philadelphia Blaze

Fire on March 15 swept through a household goods plant operated by the J. H. Walker Storage Warehousing Co., Inc., on North Fifteenth Street near Dauphin Street, Philadelphia, causing an estimated loss of \$200,000. The four-story structure was filled with furniture and valuable rugs.

**Inland Waterways  
Reports a Smaller  
Net Income in 1929**

(Concluded from page 11)

when it is driven out of business. We can sell our towboats and barges for a song and rest on our laurels, because we will have rehabilitated water transportation."

In recounting some of the embarrassments encountered by the barge line management during the year, General Ashburn refers to the American Warehousemen's Association in the following language:

"The warehousemen's association, through the efforts of a single individual, has propagandized Congress and the public in an endeavor to create the impression that the practices of this corporation re 'storage in transit' are harmful to the warehouseman and the railroads. This is a matter which is properly justiciable by the Interstate Commerce Commission, and an effort on the part of the railroads to have the tariffs authorizing it suspended, was refused by the Commission."

General Ashburn dwells at some length on the activities of those who, for one reason and another, are hostile to the barge line and waterway development. All of these critical attitudes are shown to take no account of the conditions under which the Government activities have been carried on and the progress made. As indicative of the reaction to barge line operations, General Ashburn cites the cooperation extended by various cities in furnishing terminals. He states:

"To illustrate this, Minneapolis built a terminal at a cost of around \$450,000. St. Paul has built a terminal at a cost of around \$400,000. Dubuque has built a terminal at a cost of about \$350,000. Rock Island has voted a bond issue and is about to build a terminal costing \$450,000. Burlington built a terminal costing \$300,000. There is invested in terminal facilities at St. Louis over \$1,500,000 in terminals. The little town of Helena, Ark., with 9000 population, has built a terminal costing \$350,000, and it is paying for itself. Baton Rouge has a \$350,000 terminal. At Vicksburg there is perhaps \$150,000 invested. There may be \$7,000,000 or \$8,000,000 invested in New Orleans. At Mobile there are \$10,000,000 invested in facilities, and at Birmingham, \$350,000 to \$400,000.

"Kansas City, Mo., has voted \$500,000 for terminals, Kansas City, Kan., has voted to issue bonds, Peoria, Ill., is building a \$450,000 terminal."

Low water and the breaking of the dam between Minneapolis and St. Paul last August, were but two incidents of the 1929 season which, according to General Ashburn, had an unfavorable effect on barge line operations.

The total tonnage carried by the corporation's facilities in 1928 amounted to 2,245,849 tons. This was 131,379 more tons than in 1929, when the total was 2,114,470 tons.

"There should be no concern," the re-

## NEWS

Distribution and Warehousing  
May, 1930

port states, "because the Government barge line did not carry as much in 1929 as it did in 1928."

—Horace H. Herr.

### Atlanta Blaze

Fire destroyed a warehouse of the Universal Carloading & Distributing Co. on Hunter Street at Atlanta, Ga., on March 30. The loss was estimated at \$25,000. As the flames enveloped the building about a dozen cylinder tanks of compressed ammonia gas exploded, hurling twisted steel for blocks.

### Dorchester's 50th

The Dorchester Fireproof Storage Warehouse, the origin of which was one horse and one wagon, operated in Boston in 1880 by Thomas G. Buckley, now not actively connected with the business, is celebrating this year its fiftieth anniversary. From its humble beginning a half century ago it has developed until today it operates 180,000 square feet of household goods and merchandise space in four buildings erected in 1911, 1913, 1921 and 1924, grouped on Dudley Street, and has memberships in the American, National, Canadian and Massachusetts associations. Francis E. Buckley is manager.

### Walter C. Reid Goes Abroad to Attend Meeting

WALTER C. REID, sometimes called the dean of the household goods storage industry in the United States and who is president of the Bowling Green Storage & Van Co., New York City, sails from New York on May 3 to attend the convention of the International Möbel Transport Verband, which has in its membership some 900 furniture movers in Germany, France, Switzerland and Italy. The Bowling Green is the lone American member company. The meeting will take place at Eisenach, Germany, on May 26-29.

Mr. Reid will be gone about three months. He plans to visit Germany, Switzerland and Italy, motor in France, arrive in Paris about July 5, go by airplane from the French capital to London, and sail on Aug. 2 from England.

### Railroad Terminal

What is said to be the biggest terminal warehouse on the Atlantic Coast opens for business in Jersey City on May 1. Occupying six square blocks and operated by the Delaware, Lackawanna & Western Railroad, it has 1,240,000 square feet of floor space. It stands eight stories high and cost \$10,000,000 to build.

### Cincinnati Firm Moves \$876,000 Equipment in 41 Hours



WORKING night and day with a crew of fifty-one men, the Frank Hamilton Moving & Storage Co., Cincinnati, recently removed the twenty-three departments of the Union Gas & Electric Co. five city blocks from its old location to its new one, at Fourth and Main Streets, in forty-one hours—ten fewer hours than specified in the contract.

There were ninety-six vanloads of furniture and office equipment, including twenty-eight safes weighing 2000 pounds each; 500 desks, 900 chairs, 400 type-

writers and calculating machines, 300 tables and 500 filing cabinets. The value of all this equipment totaled \$376,000; the damage amounted to \$7.50.

The moving equipment used under the supervision of Raymond Hamilton, the warehouse company's manager, comprised principally an Autocar tractor with trailer and semi-trailer. The city granted the firm the privilege of operating against traffic in a one-way street in a congested district.

# International Service Goes With You Wherever You Go!



## The New Model A-5 Speed Truck is Your Kind of Truck

**P**UT this long, low, 6-cylinder International under your loads and earn yourself an increased profit on every trip. Across town or across the continent, the International Model A-5 is qualified to do the job perfectly. And its path is dotted with big, modern Company-owned service stations that guard your schedules against delay. No other truck company can match International Harvester's carefully developed service organization, which comprises 181 Company-owned branches in the United States and Canada.

*This service is one of the reasons why International Truck sales have increased seven-*

*fold since 1919, while sales of the industry as a whole have only doubled.*

There is just one way for you to appreciate fully the power and speed and performance of the new Model A-5—take one out and put it through its paces with your own foot on the accelerator and your own hands on the wheel. You'll come back with a better understanding of why this new truck has made a special hit with transportation men.

The nearby International branch will gladly offer you an opportunity to prove this truck to your own satisfaction. Other Internationals range from the  $\frac{3}{4}$ -ton Special Delivery to the big 5-ton Heavy Duty.

**INTERNATIONAL HARVESTER COMPANY**

OF AMERICA

(INCORPORATED)

606 SO. MICHIGAN AVE.

CHICAGO, ILL.

# INTERNATIONAL TRUCKS

**House Bill**  
**Liberalizes**  
**Claim Status**

DISTRIBUTION AND WAREHOUSING'S  
 Washington Bureau,  
 1163 National Press Building.

**UNIFORMITY** in the time limit on claims filed by shippers is provided in the Mapes Bill, which, amending paragraph 11 of Section 20 of the Interstate Commerce Act, passed the House of Representatives on April 3. In reporting the bill to the House with a recommendation that it be enacted, the interstate and foreign commerce committee stated that it was approved by the Interstate Commerce Commission and by shippers' organizations and was not opposed by the railroads.

When the bill came up for consideration, Representative Olger B. Burtress of North Dakota, on behalf of the committee, explained the effect of the proposed changes. He said:

"Under the present law we have a singular situation in this, that the limiting provisions that may be put into a bill of lading may be different in reference to certain types of claims than to other types of claims.

"The statute now provides generally that whenever a shipper feels that the carrier is liable to him under a contract of carriage, he must first present what amounts to a notice of intention to file a claim; such preliminary notice must be given within 90 days, and he must give specific notice of the claim within four months. Then, after the carrier has passed on it and denied the liability, the shipper has two years within which to bring suit. This is the situation with reference to claims generally.

"There is, however, another provision that if the loss, damage, or injury complained of was due to carelessness or negligence while the property was in transit or being loaded or unloaded, or due to unreasonable delay in transit, or in loading or unloading, then no preliminary notice of the claim whatever is required and no formal filing of the claim is required, but the shipper has three years in which to bring suit thereon. At any rate, those are the minimum conditions that can be legally inserted in the contract represented by the bill of lading.

"Now, the proposed amendment simply does this: It does away with the distinction of the various types of claims that come within the two rules. It liberalizes generally the length of time that the shipper has to file his claim.

"If this bill passes, instead of requiring the preliminary notice of a claim within 90 days and filing the claim within four months, a shipper may file his claim within nine months, and then will have two years in which to bring suit on the claim if the claim is denied by the carrier. I mean two years after the shipper receives notice of the rejection of the claim.

"This bill is really a compromise between the two present provisions. It

lengthens the time in which the claim may be filed from four to nine months, and wipes out the preliminary notice of 90 days entirely, so that to that extent this bill, as compared with the present law, might theoretically be claimed to operate against the interest of the carrier; but on the other hand the bill will in other respects operate for the protection of the carrier, because it will reduce from three years to nine months the filing of a claim based on negligence of the various kinds to which I adverted. The bill is really more or less of a compromise and a general understanding between shippers' organizations and the railroads."

Representative Marvin Jones of Texas made an effort to have the bill amended so as to include a provision that Court action might be taken by the claimant in any State or Federal district in which the carrier maintained an agent. The present law provides that suit "may be maintained, if in a District Court of the United States, only in a district, and if in a State Court, only in a State through or into which the defendant carrier operates a line of railroad." Representative Jones proposed to add after the word "railroad" the words "or maintains an agent."

A point of order was made against this amendment in that it was not germane, and the point of order was sustained. The bill was passed by the House without a roll call.

#### The Amendment

As amended by this bill, which now goes to the Senate for consideration, that part of the Interstate Commerce Act dealing with the filing of claims, will read:

"Provided further, That it shall be unlawful for any such receiving or delivering common carrier to provide by rule, contract, regulation, or otherwise a shorter period for the filing of claims than nine months, and for the institution of suits than two years, such period for institution of suits to be computed from the day when notice in writing is given by the carrier to the claimant that the carrier has disallowed the claim or any part or parts thereof specified in the notice: And provided further, That for the purposes of this paragraph and of paragraph (12) the delivering carrier shall be construed to be the carrier performing the line-haul service nearest to the point of destination and not a carrier performing merely a switching service at the point of destination: And provided further, That the liability imposed by this paragraph shall also apply in the case of property reconsigned or diverted in accordance with the applicable tariffs as in this Act provided."

In the hearings before the House committee, R. N. Collyer on behalf of the carriers, and W. H. Chandler, on behalf of the Merchants' Association of New York, the National Industrial Traffic League, and the Shippers' Conference of Greater New York, approved the proposed changes.

—Horace H. Herr.

**Decision Reserved  
 in the Allowances  
 Case, Philadelphia**

(Concluded from page 13)

transportation law, Mr. Roberts pointed out that the Interstate Commerce Commission had decided that "the law seems well settled that the party to whom a shipment is consigned is the legal consignee and not the party in whose care the goods are shipped."

This is the basis for the entire proceeding, in addition to the question of the legality of the warehouse-railroad contracts, it was contended. Mr. Roberts asserted there was no objection to the continuation of the practices of the contract warehouses by anyone except the complainants; that the railroads testified the arrangement was entirely satisfactory to them and that the same expression came from merchants; and, further, that numerous trade and commercial bodies intervened in the action to have the arrangement continued. He added that the facilities of the contract warehouses were a benefit to the public and advantageous to the community, citing the testimony of Hubert J. Horan, who at the time was president of the Commercial Exchange. Referring to the cause for the action, which is alleged discrimination by the railroads in employing certain warehouse companies as their agents and excluding others, Mr. Roberts asked the Court: "Does a railroad have to employ some one whom it does not want to engage?" and answered his own question with citations from Supreme Court decisions which he said give the carrier the right.

Following a technical discussion of bills of lading and the delivery of carload package freight, Mr. Hickey cited the law on those points and showed the Court forms of bills of lading. He then explained the conditions surrounding the warehouse case in Baltimore and told the Court the reasons why hay, straw and flour, which, he said, were not competitive commodities, were not included in the evidence. Asserting that if the Interstate Commerce Commission's order was not upheld, Mr. Hickey said all companies having private sidings could demand compensation for loading or unloading carload package freight, resulting in a virtual general reduction in freight rates throughout the country.

Allen S. Olmstead, counsel for the intervening trade and commercial organizations, here stated that in the Baltimore case the rates were not reduced, but advanced 2½ cents a hundred pounds as a result of the railroads having cancelled their provision of free loading and unloading of carload package freight. He questioned the legality of the contracts, stating they were a device to rebate, despite the designation of the warehouses as railroad freight stations by the carriers in their tariffs.

H. Edgar Barnes, counsel for the Pennsylvania Warehousing & Safe Deposit Co., assisted Mr. Roberts during the presentation of the argument.



Experience with these Goodyear Truck Balloons led A. Arnold & Son Transfer & Storage Company of Louisville, Ky., to specify the same tires on the next truck they ordered.

## ***It stands to reason you can do more LONG DISTANCE HAULING on Goodyears***

Everybody wants long service from tires. Everyone wants freedom from trouble. Everyone wants safety—and a low cost per mile.

It stands to reason that the tire which meets these requirements best is the tire that will be most widely used. And *more tons are hauled on Goodyear Tires than on any other kind*—which is another way of saying that more truck owners find Goodyear

Tires best suited to their requirements

There is only one tire for operators of long distance moving vans and motor express delivery services—and that tire is the Goodyear Truck Balloon. It stands the heat of maintained speed—they cushion loads against breakage—they give the safety of greater traction—they permit trucks to maintain higher average speeds—

they bring tire costs back to levels as low as they were in the days of slow-moving trucks. Everything that balloon tires did for the passenger car, these new Goodyear Balloons do for trucks.

Goodyear Truck Tire Service Station Dealers can give you accurate recommendations for the right type and size of tires for your kind of hauling. It will pay you to know what they have to offer.

# GOOD YEAR

**ON YOUR NEW TRUCKS SPECIFY GOODYEARS**

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

### **Washington State Now Taxes Salmon Held in Storage**

A RECENT ruling by John A. Homer, assistant attorney general of the State of Washington, is significant to manufacturers who distribute their goods in that State.

Salmon worth \$50,000 was shipped from Alaska to Anacortes, Wash., and placed in storage in a warehouse at the latter point last September. The assistant attorney general now holds that the salmon is subject to personal property taxes.

The Washington law, Mr. Homer explained, provides that goods brought into the State for the sole purpose of transportation through the State to points outside, shall be considered as property in transit, and therefore non-taxable, even though placed in a warehouse in Washington while being so transported, if the period of storage is not longer than six months.

The Alaska salmon, it was ruled, had come to rest in storage at Anacortes longer than the stipulated time and hence was no longer in interstate commerce and was subject to taxation by the State.

### **Warehouse Owner Accused of Fraud**

ALBERT CONTENO, president of A King-Parker, Inc., a household goods storage company in New York City, and Joseph M. Kurtz, alias J. Weller, alias Fred Schultz, were arrested on April 5 on a charge of using the mails to defraud. They were arraigned before a United States Commissioner and were released in \$7,500 bail each for a hearing.

The arrests were brought about by the State Bureau of Securities, the Better Business Bureau and the postal authorities who had investigated the activities of "Dodge & Co., Inc., at 246 Fifth Avenue," alleged promoters circularizing 200,000 prospects offering "Ford Motor of England" stock. A State trooper and a detective who made the arrest said they had trailed Kurtz with mail containing \$20,000 in checks and securities from the Fifth Avenue office to the warehouse office of Conteno. No "William H. Dodge," purported head of the Dodge concern, existed, the authorities declared, and there was no such company as "Ford Motor of England," the name of the legitimate company being Ford Motors, Ltd., of England.

The defendants are alleged to have swindled the public of more than \$42,000 in one week. State Attorney General Hamilton Ward described the mail selling scheme as one of the "largest and most ambitious ever uncovered" by his office.

### **California Merger**

Announcement was made in Long Beach, Cal., on April 7, that the Zimmerman Bros. Transfer & Storage Co. had been merged with the Yellow Van &

Storage Co. The Yellow operates trucks from San Diego to the Canadian Line.

The Zimmerman organization, established in 1925, operated a merchandise and household goods warehouse at 901 Pico Street.

### **John Becker Is Dead; Cleveland Executive**

JOHN BECKER, president of the John Becker Moving & Storage Co., Cleveland, died on March 22 at his home at 2055 West Fourteenth Street, a stone's throw from the house where he was born nearly seventy-one years ago. He had been ill only a few days.

Born on Sept. 16, 1859, Mr. Becker was widely known on Cleveland's West Side. He was treasurer of the West Side Evangelical Church, was identified with various charities which helped orphans, and was a member of the Chamber of Industry. He belonged to the National Furniture Warehousemen's Association, Cleveland Furniture Warehousemen's Association and Ohio Association of Commercial Haulers.

Mr. Becker is survived by his wife, who was Barbara A. Groeschel; one son, Elmer, who is the warehouse company's secretary, and two daughters, three brothers and two sisters.

### **H. B. Bigelow**

Hosea Bradley Bigelow, general manager of the T. L. Bigelow & Sons Transfer Co., Columbus, Ohio, died suddenly at New Smyrna, Fla., on April 10 while on a visit with Mrs. Bigelow at the home of her parents. He had recently returned from a trip abroad. The body was removed to Columbus for burial. Mr. Bigelow succeeded to the business of his father.

### **James E. Bowen**

James Edwin Bowen, president of American Storage, Inc., of California, a household goods warehouse firm in Los Angeles, died on April 7.

Born in New York City 49 years ago, he went to California in 1915 and was at one time manager of the Charles Ray motion picture studio. He is survived by his widow, seven sons and one daughter.

### **A. H. Elmendorf**

Alexander H. Elmendorf, who has been in the household storage and van moving business in Brooklyn for nearly forty years, died on April 3 at his Brooklyn home after a heart attack.

### **C. W. Worth**

Charles W. Worth, secretary and treasurer of the Wilmington Terminal Warehouse Co., Wilmington, N. C., and one of the city's leading citizens, died on April 6.

### **Death Takes "Hub" Orcutt**

D EATH on April 16 removed H. W. ("Hub") Orcutt, vice-president and operating executive of the Orcutt Storage, Packing, Moving Co., St. Louis, since 1904. He was about 59 years old.

As a young man Mr. Orcutt became associated with the Iron Mountain railway as a cashier in the St. Louis freight office and held that position from 1890 to 1898, resigning to enter the moving and storage business with his father and brothers. One brother, F. E. Orcutt, is the firm's president, and W. Lee Orcutt, another brother, is the secretary.

Mr. Orcutt was deeply interested in baseball, music and warehouse trade organization activities. In 1928 he was elected treasurer of the Missouri Warehousemen's Association. He was a member also of the American, National and Canadian associations and the movers and furniture warehousemen's associations in St. Louis. He is survived by his widow, two children and two grandchildren.

### **Grocers Delaying Warehouse Choices**

The Associated Grocery Manufacturers of America is delaying for the present the selection of two Philadelphia warehouses which will be used as storage and distribution points for the products of the organization's member companies.

Robert F. Miller, executive vice-president of the A. G. M. A., addressing the Philadelphia convention of the Tri-State Wholesale Grocers' Association, said that decision as to choices was being deferred pending outcome of litigation concerning rates charged by railroad-owned warehouses.

If the A. G. M. A.'s Philadelphia plan worked out successfully, Mr. Miller added, similar action would be taken in other marketing centers.

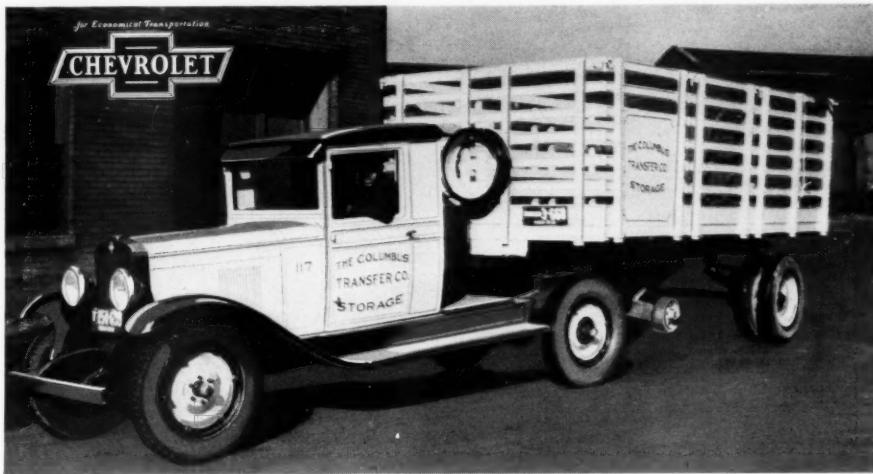
### **Pamphlets Received**

"Overhead Conveyor Practice," a 20-page illustrated booklet intended as a guide to the plant executive who is responsible for conveyor planning and economy; an explanation of the engineering procedure in laying out an overhead system. A copy may be had, without cost, by addressing the Anchor Steel & Engineering Co., 2563 Bellevue Avenue, Detroit.

"Commerce Terminal Building," an illustrated brochure descriptive of the operations of the Terminal Commerce Building, Inc., a subsidiary of the Terminal Warehouse Co., Philadelphia. Copy free on application.

"A Guide to Good Construction of Nailed Wooden Boxes." This is Bulletin No. 14 of the Freight Container Bureau of the American Railway Association, 30 Vesey Street, New York City. Twenty-four pages, illustrated. Copy free on application.

# IT'S WISE TO CHOOSE A SIX



## ... and Chevrolet 1½ ton trucks are priced as low as \$520

More and more firms in every line of business are learning it's wise to choose a six-cylinder truck! And here are the reasons why. Six-cylinder flexibility means quicker trips through city traffic. Six-cylinder speed means better time on long distance runs. And six-cylinder smoothness means greater freedom from destructive vibration.

The new Chevrolet 1½ ton truck, powered by a 50-horsepower six-cylinder valve-in-head engine, offers all the advantages of six-cylinder performance—at prices as low as \$520, f.o.b. Flint factory. And it provides, in addition, every feature of advanced chassis design: a heavy 6-inch channel steel frame; four long semi-elliptic springs; a big, rugged, spiral bevel gear rear axle; a time-proved 4-speed transmission; big, powerful 4-wheel brakes; and a ball bearing steering mechanism.

And remember that the Chevrolet six-cylinder trucks are as economical as any haulage unit you can buy—in fuel consumption, in upkeep, and in maintenance! See your Chevrolet dealer.

CHEVROLET MOTOR COMPANY, DETROIT, MICH.  
*Division of General Motors Corporation*

1½ Ton Chassis .....	\$520
1½ Ton Chassis with Cab .....	\$625
Light Delivery Chassis .....	\$365
The Sedan Delivery .....	\$595

All prices f. o. b. factory, Flint, Michigan



The New Chevrolet  
Roadster Delivery

The new Chevrolet Roadster Delivery, with its low price, smart appearance and large loading space, is an exceptionally desirable unit for light delivery service.

**\$440**

f. o. b. factory, Flint, Michigan  
(Pick-up box extra)

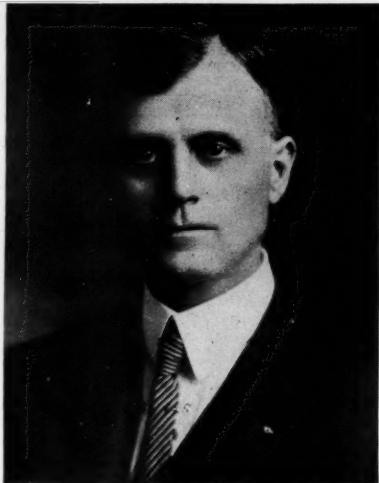
## CHEVROLET SIX-CYLINDER TRUCKS

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

**A Nashville Merger  
Brings Bond and the  
Chadwells Together**

CONSOLIDATION of three of Nashville's leading warehouse and moving firms—the Bond Moving & Storage Co., the Herriford-Chadwell Co. and the Robert Chadwell Transfer & Storage Co.—was announced on April 5 by E. M. Bond, who, owner and manager of the Bond organization, will be general manager of the new corporation, which will be known as the Bond-Chadwell Co. As soon as the charter had been obtained, it was stated, the interests would be reorganized and officers would be elected. The incorporation figure has been set at \$250,000.

The new Bond-Chadwell Co. will continue its various lines of storage business, both household goods and merchandise, and will do transferring, house-to-house moving, long-distance transport by motor truck, and deal in coal. Its headquarters will be at 1625 Broadway, the address of the old Bond unit. The transfer business, including freight and heavy hauling and rigging, will be operated from 101 Broadway, the address of the old Robert Chadwell Transfer & Storage Co., with A. L. Stewart, who was the



E. M. Bond, general manager of Bond-Chadwell Co., organized through consolidation of three Nashville firms

partmental heads and staff members will include C. C. McLemore, manager of office and credits; R. E. Harper, H. I. Utley, James E. Chappell, Frank Eskew and John H. Hamilton, in charge of various warehouses and railroad freight offices; James H. King, who was secretary and treasurer of the Robert Chadwell firm, traffic manager of the transfer department; W. T. Washington and Ira Brice, city salesmen; Patrick Quigley, Jr., bookkeeper, and Mrs. S. J. Stephens and Mrs. Ray Medling, assistants.

The old Bond firm, formerly the E. M. Bond Storage Co., was established in 1903 and operated both a household goods and merchandise storage business. It held membership in the American Chain of Warehouses and belonged to the American, National and Southern associations. E. M. Bond was at one time president of the old Southern Warehousemen's Association, predecessor of the present trade organization of that name.

The Herriford-Chadwell Co., operating household goods warehousing, was established in 1913 and operated two warehouses, one at 120 Public Square and one at 1107 Grundy Street. Memberships were in the National and Southern associations. Ernest T. Chadwell is a director of the National.

The Robert Chadwell Transfer & Storage Co. was established in 1914 and operated a combination merchandise and household goods storage business. Its predecessor was the Sherman Transfer Co.

The merger makes Bond-Chadwell Co. one of the largest merchandise and household goods warehouse firms in the South.

**New Terminal  
in Portland**

The Consolidated Truck Lines, Portland, Ore., has acquired 42,000 sq. ft. of land at Twenty-first and Quimby Streets and will erect a \$55,000 motor truck terminal, 100 by 200 ft.

Ernest T. Chadwell, who heads the household goods department of the new Bond-Chadwell Co., Nashville

Herriford-Chadwell firm's treasurer, as office manager.

Ernest T. Chadwell, who was vice-president and secretary of the Herriford-Chadwell Co., will manage the household goods department, the local and long-distance moving, and packing, shipping and mothproofing.

Robert Chadwell, who was president of the Chadwell Transfer & Storage Co., will head the merchandise storage department, in charge of pool car distribution, freight and heavy hauling, trucking and rigging.

The coal department, selling to both consumers and steam plants, will be in charge of Pearre Hamilton. Other de-

**Moores Firm  
Is Acquired**

CHARLES H. MOORES & CO., INC., New York, formerly known as Moores & Dunford, Inc., has been acquired by Fletcher-Thompson, Inc., engineers in Bridgeport, Conn.

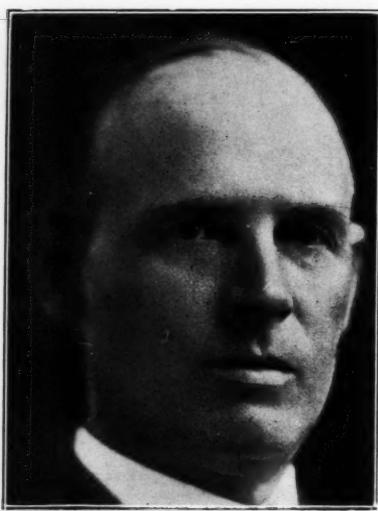
The Moores company specializes in engineering work on warehouses and terminals.

Edward W. Lambert, head of the Fletcher-Thompson interests, announces that the principal offices will be in Bridgeport, with branches in New York, Springfield, Mass., and Newark, N. J.

**Kahrs Partner in  
Engineering Firm**

A NEW firm of architects and engineers, known as Epple & Kahrs, to specialize in design of commercial, municipal and industrial buildings, including warehouses, has been organized in Newark, N. J., and one of the partners, C. H. Kahrs, is widely known in the storage industry, having attended many of the conventions.

Mr. Kahrs was formerly for a number of years vice-president of Moores &



S. H. Kahrs, who resigned from Moore's company to become a partner in an engineering firm in Newark, N. J.

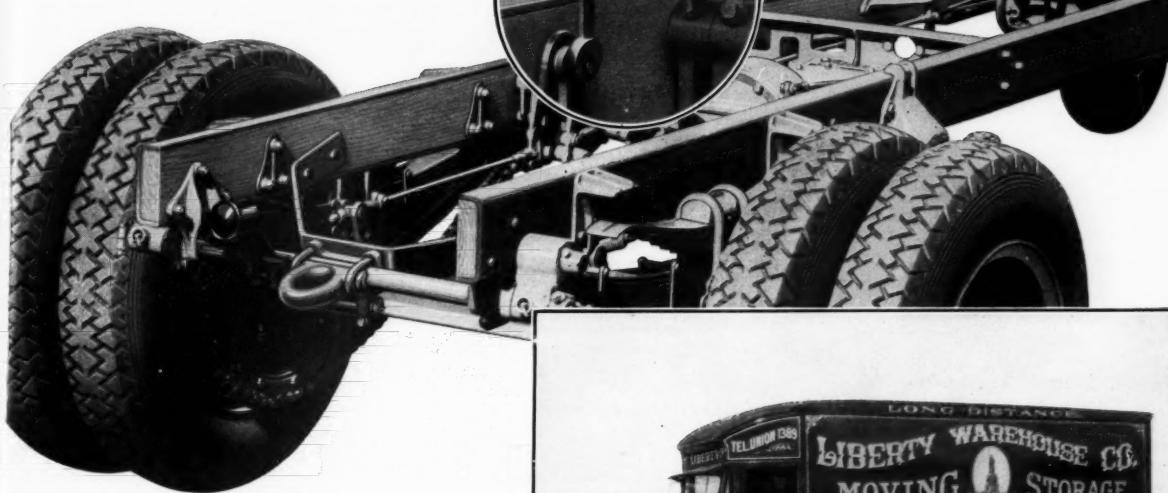
Dunford, Inc., New York, which specialized in warehouse design and construction.

The Newark address of Epple & Kahrs is 44 Commerce Street.

**Chicago Line Will  
Operate Warehouses**

The Ziffrin Freight Lines, Inc., has been incorporated in Chicago, with nominal capital of \$1,000, to operate warehouses and carry on a general motor freight line business. The incorporators are Samuel, G. B. and Rose Ziffrin.

# WHY an All-bolted FRAME?



There are no rivets in the frame flanges of a Sterling Truck. Frame twists loosen rivets . . . sometimes they sheer off. Replacing rivets is an expert's job . . . and expensive. In a Sterling all units are bolted through the frame's wood inlay—a sturdy plank of solid, seasoned oak, machined-pressed into the steel channel. The snug-fitting, long-bearing bolts pass through both wood and steel and are securely anchored by lock-nuts.

This all-bolted construction gives extra-rigidity to the super-strong, steel-wood frame. Metal-to-metal contact is eliminated. The layer of wood . . . between

metals . . . acts as a shock-absorber and adds flexibility where most



A speedier six . . . for city or long distance hauls . . .  
Sterling DW-15, 3½ to 4½ ton, worm drive.

needed. This is real built-in protection for the motor and fine working parts . . . and Sterling is the only motor truck with these added safeguards against road shock and destructive vibration.

As a result Sterling Trucks are not only smoother and quieter in operation but last longer. Repairs are fewer and replacement easier . . . at less cost.

For pamphlet, "Why a Wood-Lined Frame?" write to Driver Dan in care of Sterling Motor Truck Company, Milwaukee, Wisconsin.

**STERLING MOTOR TRUCK COMPANY, Milwaukee, Wisconsin**

34 Factory Owned Branches

# Sterling

TRUCKS

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING



Driver Dan Says:  
"Cushioning the road  
shocks means comfort  
in the cab . . . as well  
as saving the truck and  
its motor."

Portland	Youngstown
Boston	Detroit
Springfield	Chicago
Worcester	St. Louis
Providence	Bakersfield
Bronx	Fresno
Long Island	Los Angeles
City	Oakland
Camden	Sacramento
Newark	San Bernardino
Trenton	San Diego
Baltimore	San Francisco
Erie	San Jose
Philadelphia	Stockton
Pittsburgh	Klamath Falls
Reading	Portland
Akron	Seattle
	Spokane

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### New Firms in Memphis

**T**HE United Warehouse & Terminal Co. has been formed in Memphis, to operate as public merchandise warehouses the plants formerly occupied by the Mississippi Valley Furniture Co. at 137 East Calhoun Avenue and 138 St. Paul Avenue. The two buildings contain 100,000 sq. ft. of storage space and 20,000 sq. ft. of office space. The latter will be devoted to the needs of brokers and manufacturers' agents.

Associated with Horace K. Houston, the active operating head of the new firm, is C. W. Carter, who was for many years with the John H. Poston Storage Warehouses, Inc.

There has also been organized in Memphis the General Warehouse & Distribution Co., affiliated with the Commercial Warehouse Co. of Little Rock, Ark. Q. L. Porter, owner of the Arkansas firm, is a vice-president of the new Memphis concern, the president of which is E. R. Gardner, of the Gardner-Greer Grain Co., Memphis. H. B. Moriarty, a Memphis attorney, is a vice-president.

The General has taken a ten-year lease on the Piggly Wiggly Building at 435 South Front Street and has converted it into a modern merchandise warehouse. The building, 90 by 200 ft., with three stories and basement, is of fireproof construction, contains 72,000 sq. ft. of floor space, and is served by Illinois Central trackage. It is sprinkled, steam heated and served by two electric elevators. Office space is provided for merchandise brokers.

The company has incorporated with a capital of \$10,000 and 3750 shares of no par value stock.

### Personals

**M**R. NELLIE ALBRIGHT of the Los Angeles Warehouse Co. recently addressed the Los Angeles Women's Traffic Club on the subject "Customs Bonded Warehouses."

E. S. Addison, formerly manager of the Greenlease-Moore Cadillac Co., Tulsa, Okla., has become vice-president and general manager of the Tulsa Terminal Storage & Transfer Co.

Louis David, nationally known in the industry and counsel for various storage companies in Chicago, was a candidate for alderman in the primaries in the 49th Ward recently. Of seven candidates, Mr. David ran third. No one candidate polled a majority of the votes, and a special election will be held on May 10.

M. A. Keyser, president of the M. A. Keyser Fireproof Storage Co., Salt Lake City, has been elected president of the new Motor Safety League of Utah. The organization was formed at the request of Governor Dern to cut down the number of automobile accidents.

Roswell Beers Milligan, son of Mr. and Mrs. Ernest H. Milligan of New York, and Marian Virginia Ayers, daughter of Mrs. Walter Hamilton Ayers, were mar-

ried at Lansdowne, Pa., on March 25. The groom's father is treasurer of Lee Brothers, Inc., New York. The bride attended the Pennsylvania Academy of Fine Arts and the Philadelphia School of Design. The groom attended the Horace Mann school in New York and is a graduate of the University of Pennsylvania, class of 1929. The couple will make their home in Fleetwood, N. Y.

Charles S. Morris, president of the Metropolitan Fireproof Warehouse, Inc., New York City, was elected a director of the Rotary Club of New York on April 10. The meeting was held at a time when he was in Florida recuperating from an illness. Mr. Morris has returned to his desk after an absence of seven weeks.

W. E. Reynolds, formerly eastern sales manager and representative of Westland Warehouses, Inc., Los Angeles, has been appointed general manager of the buildings and properties of the Ashland Industries Building Corporation, at 74th Street and Ashland Avenue, Chicago. The properties, including twenty-five acres of one-story and two-story buildings, have been taken over for management by the trustees of the Central Manufacturing District of Chicago.

Harry R. Sims has been appointed manager of the Oakland division of the Lawrence Warehouse Co., San Francisco. He was formerly traffic manager in Richmond for the Parr Terminal Co., Oakland.

James M. Walker, president of the Walker Storage & Van Co., Memphis, Tenn., was elected president of the Memphis Rotary Club on April 3.

William R. Wood, secretary of the Liberty Storage & Warehouse Co., New York, was recently elected president of the Van Owners' Association of Greater New York. Mr. Wood is eastern divisional vice-president of the National Furniture Warehousemen's Association and a past president of the New York F. W. A.

Graham C. Woodruff, chairman of the board of the United States Freight Co., is a director of the American Express Bank & Trust Co., which opened for business on April 15 at 65 Broadway, New York City.

### Trans-Continental Removes New York Office

Announcement has just been made of the removal of Trans-Continental's New York office to 40 Rector Street, effective April 30.

### Redman Adopts Konate

The Redman Fireproof Storage Co., Salt Lake City, Utah, has opened a Konate mothproofing department for treating furniture either at its plant or in customers' homes. The service is being advertised both over the radio and in local newspapers.

### Bekins Conference Held in Portland

**R**EPRESENTATIVES of the various Pacific Coast warehouses of the Bekins Van & Storage Co., with headquarters in Los Angeles, and the Bekins Moving & Storage Co., in Northwest cities, assembled in Portland, Ore., in March for a conference. Instructive talks were given on the various phases of the moving and storage business, and it was decided to expand the advertising via radio, newspapers and billboards. The meeting was concluded with a banquet. The next gathering will be held in Sacramento next fall.

Those attending the Portland conference included Milo W. Bekins, president, Los Angeles; Reed J. Bekins, San Francisco; Floyd Bekins, Fresno; Daniel Bekins, Seattle; Glenn Bekins, Seattle; E. W. Andrews, Vancouver; F. S. Andrews, Portland; O. M. Oswald, Tacoma; W. A. Norris, Los Angeles; Hal Kern, San Francisco; A. MacDougall, Los Angeles; Ed. Brown, Oakland; A. D. Allen, Sacramento, and W. P. Shirk, Spokane.

### Chain Stores Form a Traffic League

Announcement is made in New York of the formation of The Chain Store Traffic League, the purposes being "to advance the interests and knowledge of its members by interchange of ideas, to unite on traffic subjects of common interest, and to cooperate with other traffic organizations governed by the same principles."

E. F. Cosgriff, of the W. T. Grant Co., New York, is chairman, and Spencer F. Hughes, of the McLellan Stores Co., New York, is secretary and treasurer. Headquarters are at the Traffic Club of New York, Hotel Park Central.

### New Jersey Taxes Billboard "Ads"

Taxation of outdoor advertising is another revenue-getting measure which is spreading among the States and affecting the public warehouse industry.

Governor Larson of New Jersey has just signed a bill which, effective Jan. 1 next, will result in a tax of 3 cents a square foot on billboards and other outdoor advertising.

Pending in the Rhode Island State Legislature, is a measure, which has already passed the Senate, regulating outdoor advertising and providing for bonding and licensing.

### Des Moines Blaze

Fire on April 8 destroyed the barns of the Hawkeye Transfer Co., Inc., at West Eighth and Murphy Streets, Des Moines, Iowa, causing an estimated loss of \$20,000. Thirty-five wagons, hay, two motor vehicles and a small amount of merchandise were destroyed. The loss was covered by insurance.

**OPENING  
MAY 15TH**

**RADIO IN EVERY ROOM**

**1000 ROOMS, BATHS AND  
SHOWERS, SERVIDORS AND  
CIRCULATING ICE-WATER**

**I**N THE convenient zone, a mighty 23-story hostelry . . . near shops and ships . . . theatres and terminals.

Luxuriously furnished... a palace of contentment.

BOTH MODERN and MODERATE

**\$3 DAILY**

SINGLE . . . . \$3.00 to \$4.00  
DOUBLE . . . . \$4.50 to \$6.00

ROY MOULTON, Manager

**The NEW HOTEL**

**VICTORIA**

7th AVENUE at 51st STREET  
NEW YORK . . . . Circle 8520

LATZ INC.

**Construction  
Developments  
Purchases, Etc.**

**Alabama**

**SHEFFIELD**—A. G. Milam Transfer & Storage has applied to the State Public Service Commission for a certificate to operate a motor freight line from Sheffield to Memphis and Nashville, Tenn., by way of Florence, Ala.

**Arkansas**

**Stuttgart**—Southwestern Transportation Co., a subsidiary of the St. Louis & Southwestern Railroad Co., has been given permission to extend its motor freight lines from Stuttgart to Memphis.

**California**

**Coachella**—Imperial Ice & Development Co. has plans for a \$60,000 1-story cold storage warehouse.

**Long Beach**—Zimmerman Bros. Transfer & Storage Co. is completing plans for a \$75,000 2-story warehouse, 80 by 100 feet, with foundation for two more stories, on West Anaheim Street.

**Los Angeles**—Campbell's Transfer & Storage Co. has removed to 7817 South Central Avenue from 234 West Manchester Avenue.

**Los Angeles**—Central Warehouse & Storage Co. has applied to the State Railroad Commission for authority to construct additional warehouse facilities and issue \$250,000 of 7 per cent notes.

**Wilmington**—Crescent Wharf & Warehouse Co. has asked the State Railroad Commission's permission to build a \$75,000 3-story warehouse at Altoona Place and Seaside and Ocean Avenue.

**Wilmington**—Wilmington Transfer & Storage Co. has applied to the State Railroad Commission for permission to erect a warehouse with 75,000 square feet of floor space in the Wilmington district and one with 25,000 square feet on Terminal Island.

**Connecticut**

**Hartford**—Roger Sherman Transfer Co. has taken over and will operate as a unit the James Puller Co., an East Hartford builder and repairer of van bodies.

**Florida**

**Green Cove Springs**—Clay County Ice Co. has plans for a \$40,000 2-story cold storage warehouse and ice plant.

**St. Augustine**—Pellicer & Peters Storage & Transfer Co. is said to be planning rebuilding its plant recently wrecked by fire.

**Illinois**

**Bloomington**—Brunton Transfer & Storage Co., Inc., has arranged for an increase in capital stock to \$30,000 and is considering construction of a \$50,000 warehouse for storage of household goods.

**Chicago**—Bengson Fireproof Warehouse Co. is having plans completed for a \$150,000 6-story warehouse at 6414 Western Avenue.

**Chicago**—North Side Transfer Co. has

opened a warehouse, with 10,000 square feet of floor space, at 1330-1332 Morse Avenue.

**Chicago**—Remer Storage & Van Co., Inc., has increased its capital stock to \$175,000 from \$150,000.

**Cicero**—Manufacturers Junction Railway Co. has approved plans for an \$85,000 1-story warehouse and freight building on 48th Avenue.

**Wilmette**—Evanston Fireproof Warehouse, Evanston, has opened a branch office at 1 Electric Place, Wilmette.

**Indiana**

**Owensville**—Maumee Storage Co. has filed papers increasing its capital stock \$15,000 common.

**Kentucky**

**Lexington**—Union Transfer & Storage Co. has purchased for \$65,000 from the General Warehouse & Storage Co. the 5-story warehouse, 144 by 45 feet, at Merino and West Vine Streets. The General company has removed to the three-story building at 333-337 West Vine Street.

**Louisiana**

**Jennings**—Miller Warehouse & Milling Co. is planning to build a \$25,000 1-story addition, 100 by 165 feet.

**Maine**

**Portland**—Portland Terminal Co. has been granted a permit to build a \$168,000 warehouse, 794 by 124 feet, of steel frame covered with sheet metal, on Wharf No. 1.

**Maryland**

**Baltimore**—Broadway Storage Co., Inc., has tentative plans for rebuilding, at an estimated cost of \$100,000, a 5-story warehouse recently wrecked by fire.

**Baltimore**—Jacobs Transfer Co., Inc., Washington, D. C., is planning a \$30,000 branch transfer building on Lee Street near Light Street.

**Michigan**

**Grand Rapids**—Richards Storage Corporation has changed its capital stock from \$75,000 preferred and 100,000 shares no par value to 7500 shares preferred and 83,000 shares common no par value.

**Minnesota**

**Minneapolis**—Chicago, St. Paul, Minneapolis & Omaha Railway Co. has approved plans for a \$50,000 1-story warehouse and freight building near Plymouth Avenue.

**Missouri**

**Kansas City**—Israel Motor Transfer Co. is planning erection of a \$45,000 1-story warehouse at Grand Avenue and 22nd Street.

**Kansas City**—Victory Storage & Transfer Co. is planning erection of a \$100,000 5-story and basement warehouse at Charlotte and 16th Streets.

**Springfield**—Springfield Ice & Refrigerating Co. has approved plans for a \$70,000 addition.

(Concluded on page 58)

**New Incorporations  
as Announced Within  
the Storage Industry**

**Arkansas**

**D E WITT**—O. K. Ice Co. Cold storage warehouse and ice plant. Capital not stated. Principal incorporator, G. R. Holloway.

**Connecticut**

**Waterbury**—Waterbury Transfer Co. Capital, 100 shares of no par value stock. Abraham Sasloff is president and Samuel Sax is vice-president and treasurer.

**Florida**

**Manatee**—Crystal Water & Ice Co., Inc. Cold storage warehouse and ice plant. Capital not stated. Incorporators, E. O. Lee and J. B. Brack.

**Illinois**

**Chicago**—Siebold Storage & Moving Co. Warehousing and trucking. Nominal capital, \$2,500. Incorporators, Herman S. Blaich, Rose M. Blaich and Ernest A. Hoerich.

**Decatur**—Lincoln Moving & Storage Co. Capital, 100 shares of no par value stock. Incorporators, Ruby Crane, Carl S. Rodens and Charles R. Mortens.

**Indiana**

**Indianapolis**—Indianapolis Cartage Club. A local trade association. No capital stock. Incorporators, W. S. Frye, Donald A. Underwood and J. R. Skinner.

**Kentucky**

**Hopkinsville**—K. I. T. Trucking Corporation. Capital, \$2,000. Incorporators, W. T. Burton, Jr., Ed. Nelson and Newton Wall.

**Massachusetts**

**Boston**—Bowdoin Transfer Co. (organized). John W. Donovan heads the firm.

**Boston**—Boston & Portland Fast Freight. Organized to operate a motor freight line to Portland, Me. Louis Feldman and William Gordon head the company.

**Michigan**

**Detroit**—Progressive Service Warehouse Corporation. Storage warehouse and trucking service. Capital, \$50,000. Incorporators, R. A. Jackson, James S. Haboush and Louis R. Shamie.

**Detroit**—Superior Warehouse Co. Storage and cartage. Nominal capital, \$2,000. Incorporators, H. R. Brown, Edwin Rengberg and Chester Carpenter.

**New Jersey**

**Irvington**—Sorbe Storage Co., Inc. Capital, \$10,000. Incorporators, Theodore Radon and Anthony Farsky.

**New York**

**Brooklyn**—Lynch & Bosch. Storage warehouse and hauling. Capital, \$5,000.

**New York City**—Crescent Moving & Forwarding Co. Capital, \$10,000. Principal incorporator, Milton Engle.

**New York City**—Great Eastern Ware-  
(Concluded on page 58)

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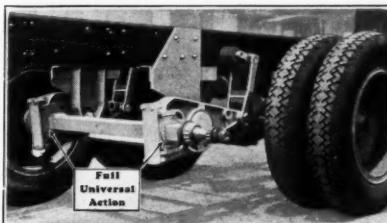
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NEW YORK N.Y.

**Construction  
Developments,  
Purchases, Etc.**

(Concluded from page 56)

**New Jersey**

**Dover**—Brown's Storage Company, Inc., has awarded a contract for a \$35,000 1-story warehouse on Sussex Street.

**Englewood**—Englewood Storage Warehouse Co., Inc., has preliminary plans for a \$70,000 3-story addition in the rear of its present building.

**Jersey City**—Seaboard Terminal & Refrigeration Co. has been acquired by the City Ice & Fuel Co., Cleveland, Ohio.

**New York**

**New York City**—Fidelity Warehouse Co. has purchased the 2-story and 5-story warehouses formerly occupied by the Wallace Brewery at 394-400 Cherry Street, and has leased adjoining property at 390-392 Cherry Street occupied by office structure and loft building.

**New York City**—New York State Realty & Terminal Co., a subsidiary of the New York Central Railroad Co., has acquired property at 512-514 Washington Street and extending through to 309 West Street, improved with a multi-story warehouse.

**New York City**—E. W. Wade, an insurance man, heads a project to build a 14-story household goods warehouse, to cost approximately \$500,000, at 303 East 39th Street.

**North Dakota**

**Fargo**—Union Storage & Transfer Co. has awarded a contract for a 4-story and basement cold storage warehouse, an adjoining 3-story building and a garage unit, the development to cost about \$250,000.

**Ohio**

**Cincinnati**—River Freight Terminal, Inc., operated by the Mississippi Valley Barge Line Co., St. Louis, has awarded a contract for a \$100,000 warehouse and freight terminal, 100 by 175 feet, variously one, two, three and four stories.

**Cleveland**—Highway Freight Corporation recently filed a voluntary petition in bankruptcy. Liabilities were listed at \$25,039.95 and assets at \$16,651.70.

**Oklahoma**

**Oklahoma City**—Oklahoma Warehouse Co. has completed plans for a \$350,000 4-story warehouse and terminal building, 100 by 210 feet, on Walnut Street.

**Pennsylvania**

**Philadelphia**—Reading Co. has plans for a \$50,000 warehouse and freight building at Newmarket and Spring Garden Streets. Reading Transportation Co., a subsidiary, has applied for permission to extend its motor freight lines to Lackawanna, Monroe and Wayne Counties.

**Pittsburgh**—Consolidated Ice Co. is having plans prepared for a \$200,000 7-story cold storage warehouse and ice plant.

**Rhode Island**

**Providence**—Providence Produce Warehouse Co. has filed notice of increase in capital stock to \$385,000, for expansion.

**Tennessee**

**Memphis**—Memphis Cold Storage Warehouse Co. is planning improvements in its present plant and construction of an addition, all at a reported cost of more than \$60,000.

**Nashville**—Bond Moving & Storage Co. has opened a branch, at 38 Arcade, under the management of Patrick Quigley, Jr.

**Texas**

**Dallas**—Dallas-Trinity Warehouse Co. has received permission to acquire the Central Texas Motor Lines and to operate a motor freight service from Dallas to Groesbeck and vicinity.

**Dallas**—Santa Fe, Gulf & Southern Railroad Co. has filed plans for an \$82,000 1-story addition to its warehouse and freight terminal at Young and Poydras Streets.

**Fort Worth**—Texas & Pacific Railway Co. plans to erect a warehouse and freight terminal as part of a \$7,000,000 building program.

**Houston**—Edmundson Refrigerating Co. is planning construction of a \$30,000 cold storage warehouse.

**Memphis**—West Texas Utilities Co. has plans for an \$80,000 cold storage warehouse and ice plant.

**Paris**—Northwest Motor Lines, Inc., has arranged for a merger with the Bonham Truck Lines, Inc., and the Pioneer Motor Bus Lines, Inc., and will operate under the Northwest's name.

**San Antonio**—Scobey Fireproof Storage Co. is considering rebuilding that portion of its warehouse at Medina and Lakeview Streets recently damaged by fire.

**Washington**

**Seattle**—Trans-Continental Freight Co. has opened new offices at 1213-1214 Smith Tower.

**Wisconsin**

**Green Bay**—Chicago, Milwaukee, St. Paul & Pacific Railway Co. has completed plans for a \$60,000 1-story warehouse, 100 by 300 feet.

**Madison**—Chicago, Madison & Beloit Motor Freight Co. has filed notice of change of company name to Beloit & Madison Motor Freight Co., Inc.

**Kaufmann Elected**

The directors of the Wertz Warehouse Co., Inc., Reading, Pa., at a meeting on April 9 elected William H. Kaufmann president, C. E. Kirlin vice-president and George F. Kaufmann secretary-treasurer.

The stockholders had earlier elected the board of directors, comprising William H. Kaufmann, Adolph Kaufmann, C. E. Kirlin, E. J. Morris, Aaron Merzbacher, James O'Rourke and Joseph A. Martin.

**New Incorporations  
as Announced Within  
the Storage Industry**

(Concluded from page 56)

houses, Inc. Capital, 100 shares of no par value stock. Principal incorporator, F. P. Ferguson.

**New York City**—Raymond Storage Warehouse. Capital, \$5,000.

**North Hempstead**—Salisbury Haulage & Warehouse Co. Capital, 150 shares of no par value stock. Principal incorporator, I. B. Bresnahan.

**Ohio**

**Cleveland**—Kirk's Truck System, Inc. Capital, 250 shares of no par value stock. Incorporators, John B. Kirk, Albert F. Moohrie and Shirley Besserer.

**Columbus**—Red Ball Transit Co. of Ohio, Inc. Capital, 250 shares of no par value stock. Incorporators, Marie E. Haught, Wayne E. Wohrley and George B. Haught.

**Columbus**—Truck System of Columbus, Inc. Incorporators, B. L. Wilson, Edward Benham and Aaron M. Wilson.

**Oregon**

**Eugene**—Security Warehouse & Storage Co. Capital, 1000 shares of no par value stock. Incorporators, P. J. Edwards, I. L. Edwards and L. Helen Gustison.

**Tennessee**

**Fayetteville**—Holland Transfer Co. Capital, \$7,500. Incorporators, R. A. Largen, John R. Crowder, B. E. Holman, Frank Largen and L. D. Lanier.

**Memphis**—American Freight Lines, Inc. Warehousing and trucking. Capital, \$5,000 and 500 shares of stock. Incorporators, A. K. Miller, Mrs. Valora E. Gregory and D. B. Hearn.

**Texas**

**Fort Worth**—Temple Harris Warehouse Co. (formerly Temple Harris Transfer & Storage, established in 1929.) Capital, \$25,000. Incorporators, Graham C. Woodruff, Ralph J. Leidenderfer and R. F. Locke.

**Frankston**—Citizens Ice Co. Cold storage warehouse and ice plant. Capital, \$10,000. Incorporators, J. R. Hugon and J. T. Vaughan.

**Munday**—Roberts Ice Co. Cold storage warehouse and ice plant. Capital, \$22,000. Principal incorporator, E. J. Roberts.

**Virginia**

**Richmond**—Gloucester Ice Co., Inc. Cold storage warehouse and ice plant. Capital, \$25,000. Principal incorporator, R. R. Waltmyer.

**Central, Salt Lake,  
Opens Its New Plant**

The Central Warehouse, Salt Lake City, Utah, has completed and moved into its \$100,000 three-story reinforced concrete addition at 520 West Second South Street. The building contains 25,000 sq. ft. of floor space and gives the firm a total of 70,000 sq. ft.

## This Month's Features in News and Articles

### **Accessorial Costs**

HOW WAREHOUSING has made clear to Congress its position with relation to the railroad practice of charging less than cost for storage services is told in Robert C. McClellan's Washington correspondence, beginning on page 28, reporting the hearing on the McDuffie bill. This measure favored by warehousing, is being opposed by the Interstate Commerce Commission—see page 29.

### **Business Looks Forward**

THE THEME of discussion at the annual meeting of the Chamber of Commerce of the United States was "What's Ahead for Business?" What leading executives in all lines of commerce are thinking and planning is important to warehousing, which had its largest delegation at the Washington gathering. A story of the Chamber's convention, with reproduction of the resolutions adopted, begins on page 17. Editorial comment on page 35.

### **Buying Trucks**

A NEW ATTITUDE has developed among purchasers of commercial motor vehicles. Competition in a slightly narrowing market has forced it. The truck manufacturers have sensed it and are endeavoring to meet it. Turn to page 49 and read Philip L. Sniffin's chat on this subject.

### **Developing New Business**

THE FIFTY-FIFTH of H. A. Haring's profits-earning suggestions for warehousemen deals with electric lighting systems. Turn to page 42.

### **"Foreign Corporations"**

VIRGINIA, through a State Commission, has made public a syllabus telling manufacturing companies why and how they must qualify to do business, including warehousing, within the State. See page 31.

### **Freight Forwarders**

AN INFORMAL INQUIRY into their relations with the railroads has been inaugurated by the Interstate Commerce Commission. Read Horace H. Herr's Washington correspondence beginning on page 24.

### **Legal Knots**

LEO T. PARKER, an attorney, unites them on request, for warehouseman and traffic manager. Borrow on his knowledge and experience. The authority also reviews the latest Court decisions of importance to the industry. Four pages this month—44, 45, 46 and 47.

### **Motor Freight**

IN THE Pacific Northwest eighteen established warehouse and transfer firms in three cities have organized, with railroad cooperation, to meet motor freight line competition. The retort of the motor freight lines is a protest to the Interstate Commerce Commission. Developments in this interesting situation are set forth in article beginning on page 9.

The Central Motor Freight Association, in Chicago and vicinity, has decided that the time is not yet ripe for motor freight line operators to organize on a national basis. Turn to page 53.

Motor freight lines are discussed editorially on page 34.

### **Next Month's Business**

THIS IS a new monthly feature—a forecast of conditions as charted by thirty-four economic experts: editors of magazines published by the United Business Publishers, Inc. Based on contact with more than 400,000 subscribers in many lines of industry. Turn to page 16.

### **Occupancy and Tonnage**

THE GOVERNMENT'S most recently available figures—final for February and provisional for March—appear, with interpretative comment, on page 26.

### **Personality**

THIS MONTH'S biographical sketch is about Gus K. Weatherred, of the Dallas Transfer & Terminal Warehouse Co. Turn to page 33 for Elizabeth Forman's human interest story of one man's rise in the industry.

### **Regulation of Trucks**

ONCE MORE the Interstate Commerce Commission is embarking on an investigation of the desirability of Federal supervision of motor vehicle common carriers. The Commission after its inquiry two years ago decided to let the truck alone for the time being. Important factors have since developed, including railroad operation of trucks and the growth of the waterways lines, and the Commission has begun analysis anew. Turn to page 23 for Washington correspondence.

### **The Public's Knowledge**

WHEN did you move last? Where did you move from? Who moved you? Was the service satisfactory? Do you know how modern warehouses store goods? These and other questions have been asked of 400 representative urban and suburban families in the course of an inquiry made on behalf of the New York Furniture Warehousemen's Association. An analysis of the replies, with charts and tables, begins on page 36. Here is an article which the household goods storage executive will find informative and of absorbing interest.

### **The Traffic Manager Grows Up**

HE HAS become modernized. His work is no longer a "job"—it has become a profession. Background and process of this evolution are told by H. A. Haring in this month's articles of his "Distribution" series. Turn to page 12.

### **Warehouse Receipts**

THEIR NEGOTIABILITY, and the warehouseman's liabilities in relation to them, in the light of Court decisions, are set forth by Leo T. Parker in the twenty-ninth of his series of legal articles. See page 39.

**Directory of Warehouses . . . Pages 90 to 168**  
**Directory of Motor Freight Lines Pages 169 to 172**  
**Where to Buy Department . . . Pages 73 to 87**



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